

Resettlement Plan

May 2016

Azerbaijan: Water Supply and Sanitation Investment
Program – Project 4
Beylagan Subproject

Prepared by the Azersu Open Joint Stock Company for the Asian Development Bank.

LIST OF ABBREVIATIONS

AA	-	Acquiring Agency
ADB	—	Asian Development Bank
AF	—	Affected Family
DMS	—	Detailed Measurement Survey
DP	—	Displaced Person
EA	—	Executing Agency
EMA		External Monitoring Agency
GoA	—	Government of Azerbaijan
GRC	—	Grievance Redress Commission
IA	—	Implementing Agency
IP	—	Indigenous People
IPMC	—	Investment Project Management Consultants
LAG	—	Land Acquisition Group
LARF	—	Land Acquisition and Resettlement Framework
LARP	—	Land Acquisition and Resettlement Plan
MFF	—	Multi-tranche Financial Facility
MoF	—	Ministry of Finance
NGO	—	Non-Government Organization
PFR	—	Periodical Financial Request
PMO	-	Project Management Facility
PPTA	—	Project Preparatory Technical Assistance
RERS	—	Real Estate Registration Service
RG	—	Resettlement Group
SCPI	—	State Committee on Property Issues

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EXECUTIVE SUMMARY

1. This Land Acquisition and Resettlement Plan (LARP) has been prepared in accordance with the laws and regulations of Republic of Azerbaijan on land acquisition and resettlement, as well as the Land Acquisition and Resettlement Framework (LARF) which was prepared as part of the Water Supply and Sanitation Investment Program in line with the Safeguard Policy Statement (SPS 2009) of Asian Development Bank (ADB). The fourth project (Tranche 4) under the program will improve the water supply and sewerage network in Beylagan and Agdash rayons. Therefore, the project is divided into two sub-projects respectively. This LARP covers Beylagan sub-project of Tranche 4.
2. In this LARP, negative impacts expected to occur from the construction of wastewater treatment plan and main sewerage collector pipeline are described, and measures to mitigate the impact, as well as the estimated cost and implementation arrangements, are presented.
3. The findings included in this LARP are based on the draft final design. Once the final design is approved, Azersu will request State Committee on Property Issues (SCPI) to overlay the final design over the digitized cadastral maps of the area and provide updated list of Displaced Persons (DPs) and magnitude of impacts. In the next step, Azersu in cooperation with the Project Management Consultant will update Detailed Measurement Survey (DMS) and will engage a valuator to calculate cost estimates for delivering compensation entitlements. The LARP shall be updated in accordance with the above implications. The LARP provides mitigations and rehabilitation measures to ensure that the livelihood of the affected persons and families will be restored at least on pre-project level. The entitlement matrix provides different measures to address these losses.
4. The project will affect 45 households. Out of them 44 will lose part of agricultural land, whilst one farmer who are temporarily using state land will lose animal shelter and temporary dwelling made of mud and reed (he has a permanent dwelling in Beylagan town). There is no significantly affected¹ land plot. The acquired area is only a narrow strip with less than 5% impact on each land plot. Annex 5 shows details of impacts.
5. The project is categorized as category B for Involuntary Resettlement as per ADB policy.
6. Land Allocation Division (LAD) of Azersu is responsible for the implementation of this LARP. Cost of compensation and mitigating measures including information disclosure, public consultation and internal monitoring activities will be part of the Project budget allocated to Azersu. Compensation will be paid directly to DPs by the Azersu.
7. Additional issues arising from the implementation of this LARP and related Project implementation will be attended to and addressed through a grievance redress mechanism that will be set up as part of the LARP.
8. LARP implementation will be completed and confirmed by Azersu before the start of civil work activities.

¹ Significant impact = Loss of more than 10% of agricultural land.

1. INTRODUCTION

1.1 Background

10. Azerbaijan Water Supply and Sanitation Investment Program (the Program) aims to improve the water supply and sanitation systems in Azerbaijan through rehabilitation, improvement and/or construction of water supply and sanitation systems of in the country's urban settlement. The Program is financed through an Asian Development Bank's Multi-tranche Financial Facility (MFF).

11. Subprojects under the program entail construction of waste water treatment facilities and sewerage collector that entail acquisition of land and resettlement (LAR) impacts. In order to address such impacts, the Program has developed a Land Acquisition and Resettlement Framework (LARF) in accordance with the Azerbaijan Government policies on land acquisition and in consonance with the ADB Safeguard Policy Statement (2009).

12. Project 4 is also proposed to be categorized 'B' for involuntary resettlement.

13. The Beylagan subproject under Project 4 of the Investment Program includes:

- (i) new wastewater treatment plant (WWTP) with installed capacity of 20,000 m³/day, which would cover Beylagan town and some villages in the urban periphery;
- (ii) 800 mm sewerage collector pipeline, with approx. length 1800 m;
- (iii) administration facilities within WWTP and reservoir sites.

14. The entire system is scheduled for completion by middle of 2018.

1.2 Land Acquisition and Resettlement Objectives

15. Azersu JSC endorsed the Land Acquisition and Resettlement Framework (LARF) in 2011 that was prepared for the investment program. The Land Acquisition and Resettlement Plan (LARP) is prepared in accordance with the provisions of the LARF.

16. The purpose of this LARP is to set out the policies and procedures for the delivery of entitlements, implementation process, grievance redress mechanisms and arrangements for independent monitoring for land acquisition and resettlement that may occur as the result of the Project.

17. This LARP will be reviewed by Azersu JSC, approved by the Bank, and implemented, prior to the commencement of civil works. Land-take and the taking of related assets can take place only after all compensation and rehabilitation measures, defined in this LARP, have been provided to all eligible displaced persons (DPs).

1.3 Consideration of alternatives to avoid LAR impacts

18. The project components which need involuntary land acquisition and resettlement are construction of construction of wastewater treatment plant and main sewerage pipeline with 1769 m length.

19. Project design engineers have considered the following measures in order to minimize resettlement: a) to lay down pipelines along the road and streets to avoid involuntary land acquisition; b) explore design alternatives, where possible, to avoid and minimize impacts. However there are unavoidable impacts such as loss of part of agricultural lands and loss of temporary shelter.

2. SOCIOECONOMIC INFORMATION AND PROFILE

20. Beylagan is situated in south west of Azerbaijan. It has borders with Agjabedi, Zardab, Imishli, Fizuli districts and Islamic Republic of Iran. Total population is 94269 as of January 2015 and the total territory is 113.1 km². Some 50.5% of the population is male, 49.5% is female. The district has 25 villages, 16 settlement and one town. Beylagan town and Orangala, Milabad, Yukhari Aran and Gahramanli settlements are the biggest settlements in Beylagan.

21. The principal spheres of the economy of the region are cultivation and production of animal goods. As the result of agrarian reforms (1996-1999) more than 41 000 hectares of the lands useful for cultivation distributed to the property of 15263 families of 63828 individuals. Grain is cultivated in 16205 hectares of the land under the private property, cotton in 4457 hectares, potato in 322 hectares, vegetable in 984 hectares, melon in 436 hectares, perennial feed in 19800 hectares and corn and sunflower in the remained areas.

22. The quantitative social assessment of Beylagan conducted in September 2011 has shown widespread poverty and low income levels. The socio-economic survey found that 69% of the household heads (of which 78.1% are male) work in regularly paid jobs. Among the regularly paid household heads surveyed 35% work in the education and health sector, 28% in the government and public services sector, 19% in the trading sector (including small shops and businesses), 7% in the daily paid jobs and 2% in the agriculture/forestry sector. The Project is classified as a poverty intervention project, based on the proportion of poor among the beneficiaries, the proportion of benefits accruing to the poor, and the positive impact it will have on other poverty reduction projects in these areas.

23. Number of total family members of affected 45 HHs is 211. Non of them is considered as significantly affected.

24. DP who loses animal shelter and temporary dwelling was interviewed. The survey figured out that his family is composed of 4 persons - himself, wife and two sons. All the family members are self-employed in animal husbandry. The family live in their permanent house in Beylagan town center at Akif Chovdarov street. In addition to the house, the family owns agricultural land near the town. However, the family use a portion of Azersu owned land and semi-structure to accommodate approximately 200 sheep. Therefore they built temporary dwelling from mud and reed to take a shelter during a day. Impact on this family is not physically relocation. The household head - Safarov Oktay is well educated person with engineering

background. Additionally, he confirmed that there is plenty of grazing area in adjacent to the existing place and he is ready to move sheep to another area when the civil works will be started. He expectation is just some assistance from the project to move sheep and associated facilities to another location.

25. No vulnerable HHs have been identified until now. Final LARP will describe these groups if any is identified.

3. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

Wastewater Treatment Plant:

26. Area for the WWTP is 3.5 ha which is used to be part of a pasture land that belongs to Dostlug sheep farming state enterprise. Beylagan Executive Power transferred this land parcel to Beylagan Sukanal department with the decree dated 22 December 2008 No79. However, although the area belongs to Azersu a shepherd use this area for grazing purposes. Moreover, he uses semi-constructed state structure as an animal shed and also constructed a seasonal dwellings made of mud and reed. Detailed impacts are shown in the following table:

Table 1: Impacts on sheep farming family

Name of HH head	Name of unit	Dimensions	Construction materials
Safarov Oktay Idris oglu	Dwelling	6m x m5	Mud, reed
	Animal shed	10m x 3m	Mud, reed
	Store house	6m x 4m	Mud, reed

27. Photos of sheet farming place are attached as **Annex 7**.

Main sewerage collector:

28. Construction of the main sewerage collector (D 800) will entail permanent acquisition of part of 47 land plots owned by 44 HHs. The impact corridor will be 28 m width and 1769m length. In total acquisition of 4.95 ha land is anticipated for the sewerage collector line. The affected areas are mostly used for cultivation of clover, but there are also barley, wheat and cotton cultivated land parcels. The impacts will be narrow strip with 28 width from each land plots. There is no significantly affected land plot. Tentative calculations show that all DPs will lose less than 5% of their agricultural land. However, precise size of affected portion of each land parcel will be known after the SCPI provides final list of DPs with respective impacts, during final LARP preparation. The list of DPs with potential land impact is provided in the **Annex 5**.

4. LEGAL FRAMEWORK

4.1 Azerbaijan Laws and Regulations on Land Acquisition and Resettlement

29. Legislation in Azerbaijan on land acquisition and resettlement consists of the Constitution of the Republic of Azerbaijan, Land Code, Civil Code, the Law on Land Acquisition for State Needs, and other normative-legal acts and international contracts supported by the Republic of Azerbaijan.

30. **The Constitution.** Recognizes the citizens' right to own, use and dispose property. It also recognizes three type of property ownership in Azerbaijan - state, municipal and private (Article 13). It guarantees that no one will be dispossessed of their property without their consent or decision by the court of law and that alienation of private property for state needs will be allowed only after payment of fair compensation to the owner (Article 29).

31. **The Land Code.** Article 101 states that, all damages caused by acquisition of land (compulsory purchase) or temporary detention, as well as limiting the rights of owners, users and lessees or deterioration of the quality of soil should be fully paid to land owners or users. In addition, costs derived from early termination of its obligations against third parties should also be paid to the affected person. Disputes relating to compensation, is being considered in a court in accordance with the procedure established by the legislation. Articles 110 and 111 describe willful occupation of land plots, implementation of illegal construction on land plots as violations of the land legislation, and state that these are prohibited acts. Such land plots will be returned to the relevant authorities without reimbursement of the expenses incurred during the illegal utilization. Rehabilitation of the lands should also be carried out by the illegal occupants, at their own expense.

32. **The Civil Code.** Articles 246, 247, 248 and 249 state that, provisions for acquisition of lands for state needs. The Code requires the Decree on acquisition of lands for state needs should be registered in state real estate registration. It also states that Executive Agency should; a) send official notifications to all affected persons about land acquisition; b) pay full compensation to the affected persons within 90 days after the transaction agreement made; c) assist relocated people; and d) pay compensation for affected assets on the market rates (in case it is not possible to identify market rates, replacement prices is used).

33. The Civil Code states that affected person can select one or more type of compensations. It also states that any rights to real estate must be registered with the State, and that land may be acquired from owners for state needs as approved by the relevant courts.

34. **The Flat Code.** The Code states that acquisition of residential lands and residential building on the land should be acquired by the provisions of the Land Acquisition Law.

35. **The Land Acquisition Law or LAL:** Specifically address matters related to involuntary resettlement (IR), including the process and institutional arrangement for land acquisition, compensation and valuation, consultation requirements, entitlements of various categories of displaced persons and grievance mechanism. The law considers various categories of displaced persons, including those without state registration, renters, non-formal long-term users of land, and persons who have no legal rights on the land that they live in. The law entitles persons who have no legal rights on the land to resettlement assistance and compensation for

their non-land assets. It includes provision of compensation for loss of business/income, transition allowance and transportation support, and compensation for loss assets based on replacement cost.

36. **Law on Land Lease:** The law states that (Article 16) when the leased land is acquired for state needs, another land plot having a same size and a same quality can be provided to lessee. Losses incurred in this land shall be paid in accordance with the legislation.

37. **Law on valuation activity:** The law states that valuation of the real estate is mandatory in the cases of land acquisition for state needs and the results of the valuation are to be reflected in a valuation report.

38. **Decree of the President on additional activities regarding to implementation of the Law on "Acquisition of Lands for State Needs" of 15 February 2011:** The Decree stipulates additional provisions for the implementation of the Land Acquisition Law. It also assigns government agencies for each case of relevant executive body.

39. **Decree of the President No. 506-3 QD dated 7 December 2007:** It requires the provision of 20% additional compensation to the calculated market price of the acquired property.

40. **Standards for land allocation for construction of water and sewerage pipelines (SNIP CH 456-73).**Article B-7 of the SNIP stipulates requirement for allocation of 28 meters ROW (from center of pipeline 14 left and 14 right) for a pipeline with 800mm diameter.

4.2 ADB Safeguard Policy Statement (SPS) 2009

41. The ADB Safeguard Policy Statement, 2009, applies to losses due both to physical and economic displacement caused by involuntary acquisition of land and is based on the following basic principles:

- a. Compensation, Assistance and Benefits for Displaced Persons (DPs)
 - Compensate/assist those with formal legal rights to the land lost and those who have claims to lands that are recognized or recognizable under national laws. Compensate DPs who have neither formal legal rights nor recognized or recognizable claims to land for non-land assets.
 - Compensate for affected lands, structures and other assets and put in place a comprehensive income and livelihood rehabilitation program prior to displacement.
 - Give preference to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Provide physically displaced persons with relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services.
 - Promptly compensate economically displaced persons for the loss of income or livelihood sources at full replacement cost, and provide other assistance (i.e. access to credit, training, and employment opportunities) to help them improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels.

- Provide DPs with opportunities to share project benefits in addition to compensation and resettlement assistance.

b. Social Impact Assessment

- Conduct socioeconomic survey(s) and a census, with appropriate socioeconomic baseline data to identify all persons who will be displaced by the project and to assess the project's socioeconomic impacts on them.
- Identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status as part of the social impact assessment.

c. Resettlement Planning

- Prepare a resettlement plan based on the social impact assessment and through meaningful consultation with DPs.
- Ensure that DPs are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives.
- Ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards.
- Analyze and summarize national laws and regulations pertaining to land acquisition, compensation payment, and relocation of DPs; and compare with ADB SPS (2009) principles and requirements. In case of gap, propose a suitable gap-filling strategy in the resettlement plan in consultation with ADB.
- Consider all costs of compensation, relocation, and livelihood rehabilitation as project costs.
- Include detailed measures for income restoration and livelihood improvement of DPs. For vulnerable persons and households, provide extra assistance so that they can improve their incomes in comparison with pre-project levels.
- Finalize the resettlement plan soon after the completion of engineering design. Ensure that the final resettlement plan (i) adequately addresses all involuntary resettlement issues pertaining to the project, (ii) describes specific mitigation measures that will be taken to address the issues, and (iii) ensures the availability of sufficient resources to address the issues satisfactorily.
- Consult DPs identified after the formulation of the final resettlement plan and inform them of their entitlements and relocation options. Where required, a supplementary resettlement plan or a revised resettlement plan should be submitted to ADB for review before any contract is awarded.
- Use qualified and experienced experts to prepare the social impact assessment and the resettlement plan.

d. Information Disclosure

- Submit to ADB for disclosure on ADB's website: (i) the draft resettlement plan and/or resettlement framework endorsed by the borrower/client before project appraisal; (ii) the final resettlement plan endorsed by the borrower/client; (iii) the new resettlement plan or an updated resettlement plan, and a corrective action plan prepared during project implementation, if any; and (iv) resettlement monitoring reports.

- Provide relevant resettlement information in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, use other suitable communication methods.

e. Consultation and Participation

- Consult meaningfully DPs, their host communities, and civil society for every project and subproject with involuntary resettlement impacts.
- Pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female-headed households, women and children, indigenous peoples, and those without legal rights to land.

f. Grievance Redress Mechanism

- Establish a responsive, readily accessible and culturally appropriate mechanism to receive and facilitate the resolution of DPs' concerns and grievances, paying particular attention to the impacts on vulnerable groups.

g. Monitoring and Reporting

- Monitor and measure the progress of implementation of the resettlement plan. For projects/subprojects with significant LAR impacts, retain qualified and experienced external experts to verify internal resettlement monitoring information. If any significant involuntary resettlement issues are identified, prepare a corrective action plan to address such issues. Do not proceed with implementing the project until such planning documents are formulated, disclosed and approved.

h. Unanticipated Impacts

- Conduct a social impact assessment, update the resettlement plan or formulate a new resettlement plan if unanticipated involuntary resettlement impacts are found during project implementation.

i. Special Considerations for Indigenous Peoples

- Avoid physical relocation of indigenous peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If adverse impacts cannot be avoided, formulate a combined indigenous peoples plan and resettlement to meet all relevant requirements specified under ADB Safeguard Requirements 3: Indigenous People.

j. Negotiated Settlement

- Encourage acquisition of land and other assets through a negotiated settlement whenever possible.
- Subject to third-party validation negotiated settlements that would result in expropriation to ensure that the compensation is based on fair price (replacement cost) of land and/or other assets, and is based on meaningful consultation with DPs.

Table 2: Comparison of Azerbaijani Laws and Regulations on LAR and ADB's Safeguard Policy Statement (2009)

Azeri Land Laws and Regulations	ADB SPS 2009
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Azeri Land Laws and Regulations	ADB SPS 2009
Legal and legalizable DPs are to be compensated for lost land/other assets. Non-legal DPs receive resettlement allowances but are not compensated for real estate losses (land and structure losses). Thus, no compensation is required for affected non-legal structures on non-legal land	Requires legal and legalizable DPs are to be compensated for lost land/other assets. Non-legal DPs are to be compensated for non-land assets lost.
Requires additional compensation for relocated households who have been staying in their affected residence for at least 5 years	No specific requirement for additional compensation for households who have been staying in their affected residence for at least 5 years.
No specific requirement for targeted measures to assist vulnerable groups, but allows for additional provisions for fairness of paid compensation.	Requires the identification and provision of targeted measures to assist vulnerable groups.
No specific requirement for third-party validation for negotiated settlement and external monitoring for projects with significant LAR	Requires third-party validation of negotiated settlement and external resettlement monitoring for projects with significant LAR

5. PUBLIC CONSULTATION, DISCLOSURE AND GRIEVANCE RESOLUTION

5.1 Public Consultation

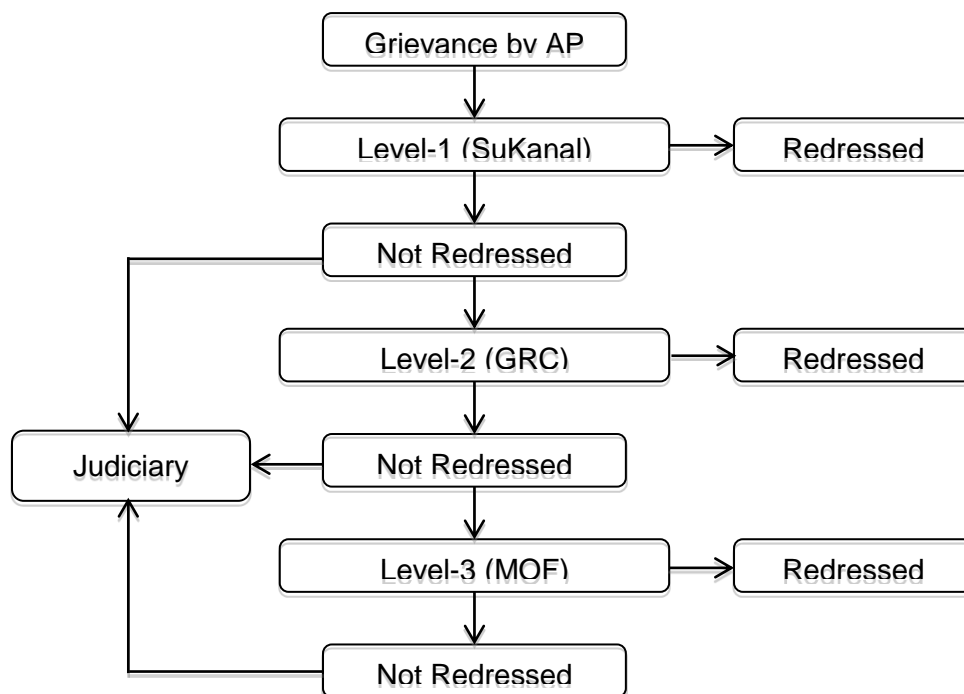
42. Representatives of Azersu together with the Beylagan SuKanal, IPMC and Contractor conducted consultations with affected households and other stakeholders, such as local municipality, rayon Sukanal office, on 6 May, 2016. In total 25 persons attended the consultation. The consultation took place in Shafag village of Beylagan rayon. Officials of rayon and village municipality were informed about the Project and their assistance were solicited in the LARP preparation and implementation. Representative of IPMC gave general information on the planned sub-project and asked people to give questions and recommendations. She also showed the project design to the participants. All affected persons were dissatisfied with the location of sewerage collector. They think that the design can be reviewed in order to reduce the impacts. Representatives of Azersu and IPMC told to meeting participants that their opinions will be reflected in the report and will be transferred to Azersu to take appropriate measures. Annex 6 shows minutes of meeting and related photos.

5.2 Grievance Resolution

43. A grievance redress mechanism will be established during preparation of the final LARP to allow appeals against any disagreeable decision, practice or activity arising from land or other assets compensation. DPs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation.

44. Care will be taken to prevent grievances rather than going through a redress process by ensuring active consultation with and participation of DPs. If grievances still arise, then complaints will be addressed through the following mechanism

Figure-1: Grievance Resolution Mechanism



45. The 1st level of GRM is the local SuKanal department together with the IPMC and Contractor at Rayon level which deals in LAR planning and implementation. At the 2nd level, there will be Grievance Redress Committee (GRC) constituted with representatives from Azersu, Executive Power, Municipality and representative of DPs. At the 3rd level of GRM, the MoF will be the focal agency which may involve representatives from other related organizations.

46. Complaints and grievances will be recorded in the Grievance Log Book at local and at Project level. Status of complaint resolution will be included in the semi-annual monitoring reports which will be submitted to ADB.

47. Alternatively, DPs can also use Azersu **955 Hotline Service** to register their complaints. This is a centralized online service, in which complainants and inquirers can dial 955 and register their complaints. Azersu will ensure that complaints are responded to within 24 hours from registering the complaints.

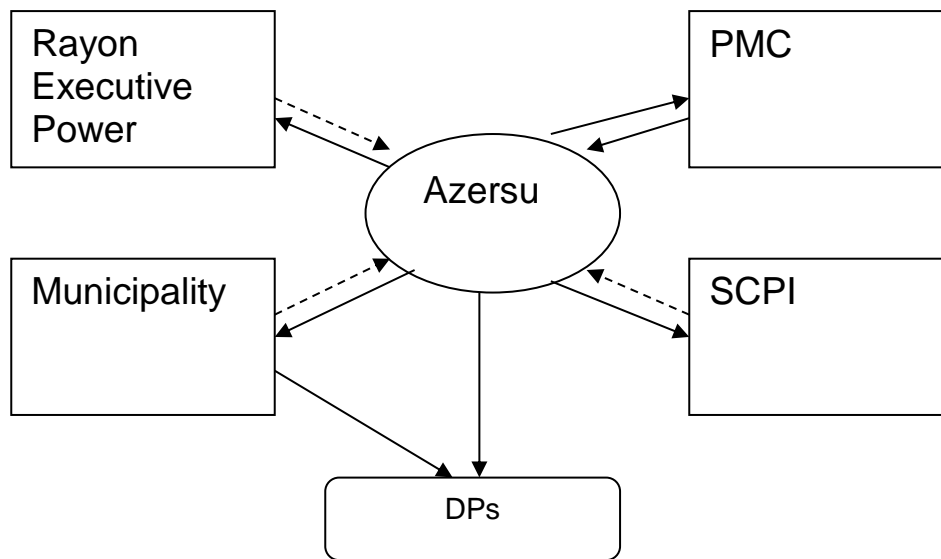
5.3 Disclosure

48. This LARP will be disclosed in ADB website in English. Azerbaijani translation of the report will be disclosed on the Azersu website and will be available for any interested parties in an accessible places, such as Office of Rayon Executive Power and local municipality. Information about project progress and potential impacts will be disseminated to DPs in public consultations during final LARP preparation.

6. INSTITUTIONAL FRAMEWORK

49. The main institutions that will be involved in LAR activities are AzerSu JSC the program executing agency (EA), State Committee on Property Issues (SCPI), Investment Project Management Consultants (IPMC), rayon (district) and baladiya (municipal towns) authorities. Institutional arrangements are described in **Figure 2**.

Figure 2: Institutional arrangements



6.1 AzerSu OJSC

50. AzerSu has overall responsibility for all aspects of the Project. The Project Management Office (PMO)² in coordination with the Geodesy and Land Allocation Division within AzerSu is responsible for the day to day management of the Project including LAR and cross-agency coordination. However, PMO will carry out this responsibility with technical assistance from the Investment Project Management Consultants (IPMC) and with the active participation of the district/municipal executive powers. In detail, AzerSu is responsible for (i) impact assessment; (ii) establishment of cut-off date; (iii) valuation of affected assets³; (iv) agreement with DPs; (v) payment of compensation and delivery of other entitlements; (vi) establishment of Grievance Redress Commission; (vii) coordination with SCPI in preparation of cadastral maps and renewal of land title documents.

6.2 Other Key Government Agencies

51. Following are the roles of other key government agencies in LAR planning and implementation:

² So called engineering group for implementation of ADB financed projects

³ Either by its own resources or by engaging independent valuator

(a) Ministry of Finance (MOF): Controls the entire land acquisition process, when required. Particularly MOF controls cost estimations and content of LARP.

(b) State Committee on Property Issues (SCPI): Provides cadastral maps, land registration data and list of DPs, participates in the land acquisition group, and updates land documents after acquisition.

6.3 Local Governments

52. governments agencies involved in LARP preparation are the Rayon Executive Authorities, the local office of Real Estate Registration Service (RERS) of State Committee on Property Issues. Rayon Executive Power and local municipalities will assist Azersu in negotiating with DPs and delivery of entitlements. The local municipality will cooperate with IPMC in receiving, registration and addressing complaints.

6.4 Project Management Consultant

53. The Investment Project Management Consultants (IPMC) are hired to design and assist in the implementation of projects under the entire Program. IPMC will assist Azersu, especially PMO in implementation of the LARP, specifically in delivering entitlements to DPs and information disclosure, as well as grievance redress management.

7. ENTITLEMENTS, ASSISTANCE AND BENEFITS

54. The end date of detailed measurement survey will beset as the cut-off date for compensation eligibility. DPs settling in affected areas after this date will not be eligible for compensation. They, however, will be given sufficient advance notice to vacate and dismantle the affected land/structures. DPs will be permitted to remove salvageable material from their land plots, without any reduction in compensation paid

55. The compensation and rehabilitation entitlements for each affected item established for the Program is detailed below on **Table 3**.

Table 3: Entitlement Matrix

Loss type	Specification	Displaced Person	Compensation Entitlements
Permanent loss of Arable Land	All land losses independent Of impact severity	Farmer/Titleholder	Land for land compensation with plots of equal value and productivity to the plots lost and acceptable to the DPs; or cash compensation at replacement cost based on market rate free of taxes, registration and transfer charges. Unaffected portions of a plot will also be compensated if they become unusable after impact occur.
		Leaseholder (<i>registered or not</i>)	Transfer of lease to other plots of equal value/productivity of plots lost, or Cash equivalent to the net income from the land calculated on the basis of the market value of annual production of affected land for the remaining lease years (up to maximum 10 years).
		Sharecroppers (<i>registered or not</i>)	Cash compensation equal to market value of the lost harvest share once (temporary impact) or twice (permanent impact)
		Agricultural workers losing their contract	Cash indemnity corresponding to their salary in cash and kind for the remaining part of the agricultural year.

		Non-titled cultivators	1 rehabilitation allowance equal to 1 year's net income from land affected land (in addition to crop compensation) for land use loss.
	Additional provisions for severe impacts (> 10% of land loss)	Farmer/Titleholder Leaseholder	1 severe impact allowance equal to the net income from annual crop production (inclusive of winter and summer crop and addition to standing crop compensation) and the waiving of taxes and fees
		Sharecroppers (registered or not)	1 severe impact allowance equal to the net income from their annual share of harvest lost (additional to standard crop compensation)
		Non-titled land owners	1 severe impact allowance equal to the net annual income from the affected land (additional to standard crop compensation)
Temporary Land Acquisition		All DPs (including non-titled land owners)	- Affected land/communal infrastructure will be restored or reconstructed to pre-project conditions. Rent shall be agreed between landowner and contractor not less than to the revenue lost at market value (e.g. compensation for harvests lost at average yield / hectare).
Houses Buildings and Structures	Full/partial loss of structures	owners (with/without house or building registration)	Cash compensation at replacement rate for affected structure/fixed assets free of salvageable materials, depreciation and transaction costs. For partial impacts, full cash assistance to restore remaining structure. Cost of reinstatement of water and electricity connections will be included in the compensation.
		Renter/Leaseholder	An allowance equal to 3 months rent
Residential / commercial land	Land losses	Title holders	- Land for land compensation with plots of equal value and productivity to the plots lost, and acceptable to DPs, or - Cash compensation for affected land at full replacement cost free of taxes, registration, and transfer costs
		Non-title holders	- Provision of a free or lease land plot on a state land, or - Self-relocation allowance equal to 1 year of minimum salary
Standing Crops	Crops affected	All DPs (including non-titled land owners)	Cash compensation equivalent to the gross income from the crop computed as the market value of the total annual produce from affected land. To be paid both to landowners and tenants based on their specific sharecropping agreements.
Trees	Trees affected	All DPs (including non-titled land owners)	Cash compensation shall reflect income replacement. Fruit trees will be valued at market value of 1 yr's produce X number of yrs needed to grow a tree of the same productivity.
Livelihood loss	Transport/transitional livelihood costs	Vulnerable DP, including DP below poverty line	1 additional allowance equal to 3 months at minimum salary. Priority for employment in project-related jobs, training opportunities, self-employment and wage-employment assistance
		All DPs affected by relocation	Provision of cash compensation to cover transport expenses and livelihood expenses for one month.
		House renters	Provision of a cash grant for 3 months' rent at prevailing rate in the area.
Community assets	Loss/damage to public infrastructure/utilities		Rehabilitation/replacement of affected structures/utilities (i.e. mosques, footbridges, roads, schools, health centres, etc..) to pre-Program level

8. COMPENSATION AND REHABILITATION MEASURES

56. Compensation for the affected structures will be calculated at replacement value based on cost of materials, type of construction, labor, transport and other construction costs. No deductions was applied for depreciation, salvaged materials and transaction cost. Twenty percentage (20%) premium is also added on top of the compensation according to the provision of Presidential Decree dated 26 December 2007.

57. DPs losing agricultural land will be entitled either land for land compensation with plots of equal value and productivity to the plots lost and acceptable to the DPs; or cash compensation at replacement cost based on market rate free of taxes, registration and transfer charges. Unaffected portions of a plot will also be compensated if they become unusable after impact occur.

58. Compensation for DPs who are forced to relocate from residential and commercial land will be entitled to (i) provision of a free or lease land plot on a state land, or (ii) Self-relocation allowance equal to 1 year of minimum salary⁴.

59. DPs will be informed 90 days before the construction. If during this period crops cannot be harvested then impact on crops will be compensated in cash equivalent to the gross income from the crop computed as the market value of the total annual produce from affected land.

60. Compensation unit rate for temporary impact was calculated based on the relevant provisions of the LARF. Accordingly the compensation for temporary loss of agricultural land is equal to revenue loss at market value. Rent agreement should be made between landowner and contractor on the amount of loss. Any civil works contractor shall not occupy any land without a prior agreement with the land owners and this condition will be clearly specified in the civil works contract.

61. Affected land and/or attachments on the land will be restored to its pre-subproject condition. Permanent damages to improvements/structures, if any, will be compensated in cash following the provisions in the entitlements matrix.

9. RESETTLEMENT BUDGET AND FINANCING

62. During LARP implementation Azersu will engage an independent valuer to calculate compensations for all impacts. Final LARP will include all details about compensation rates.

63. However, the unit compensation for affected structures is calculated at full replacement costs. Azersu's specialists made an estimation based on market prices of construction materials and labor costs. Registration and all other transaction costs will be paid by Azersu and the value of salvageable materials will not be deducted from compensation. Total compensation, including compensation for livelihood restoration, for sheep farming family will be calculated either by an independent valuator or Azersu's own resources based on LARF provisions described above.

⁴ Official minimum salary in Azerbaijan is 105 AZN as of May 2016.

65. Estimated costs for LARP implementation is described in the following table:

Item	Costs (tentative calculations, in AZN)
Compensation for land	40000
Compensation for structure	1000
Relocation allowance	1260
Cadastral map preparation and registration	20000
Administrative costs	2000
Monitoring Costs	5000
Total	69260
Contingency (10%)	6926
GRAND TOTAL	76186

66. The following table includes LARP preparation and implementation actions and relevant timeframe.

Actions and timeframe	2016							2017		
	6	7	8	9	10	11	12	1	2	3
Preparation of cadastral maps based on the final design										
Identification and verification of DPs										
Update of Detailed Measurement Survey (DMS)										
Valuation of affected assets										
Finalization (updating) of LARP and its translation into Azerbaijani										
Approval of LARP										
Submission of draft final LARP in AZE and ENG languages for ADB review										
Approval of LARP and its re-disclosure on ADB website										

Opening of individual bank accounts for APs										
Payment of cash compensation to the bank accounts of APs										
Deliver other rehabilitation measures										
Prepare LARP completion report										
ADB reviews LARP implementation report										
ADB issues No Objection to the start of civil works										

11. MONITORING AND EVALUATION

67. All LAR tasks under the Project will be monitored by the IPMC and reported to the PMO of Azersu and ADB. After all LAR related issues are solved a completion report is expected to be submitted which will cover:

- (i) Review and verification of land acquisition documentation;
- (ii) Review of the socio-economic baseline census information of DPs;
- (iii) Identification and selection of impact indicators;
- (iv) Impact assessment through formal and informal surveys with the DPs;
- (v) Consultation with DPs, officials, community leaders for preparing review report; and
- (vi) Assessment of the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning.

68. Social safeguards also need to be reported through internal monitoring reports which will be submitted to ADB semiannually. The semi-annual monitoring reports will be disclosed in ADB web-site. The Monitoring will also assess the status of vulnerable groups such as female-headed households or families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the MFF:

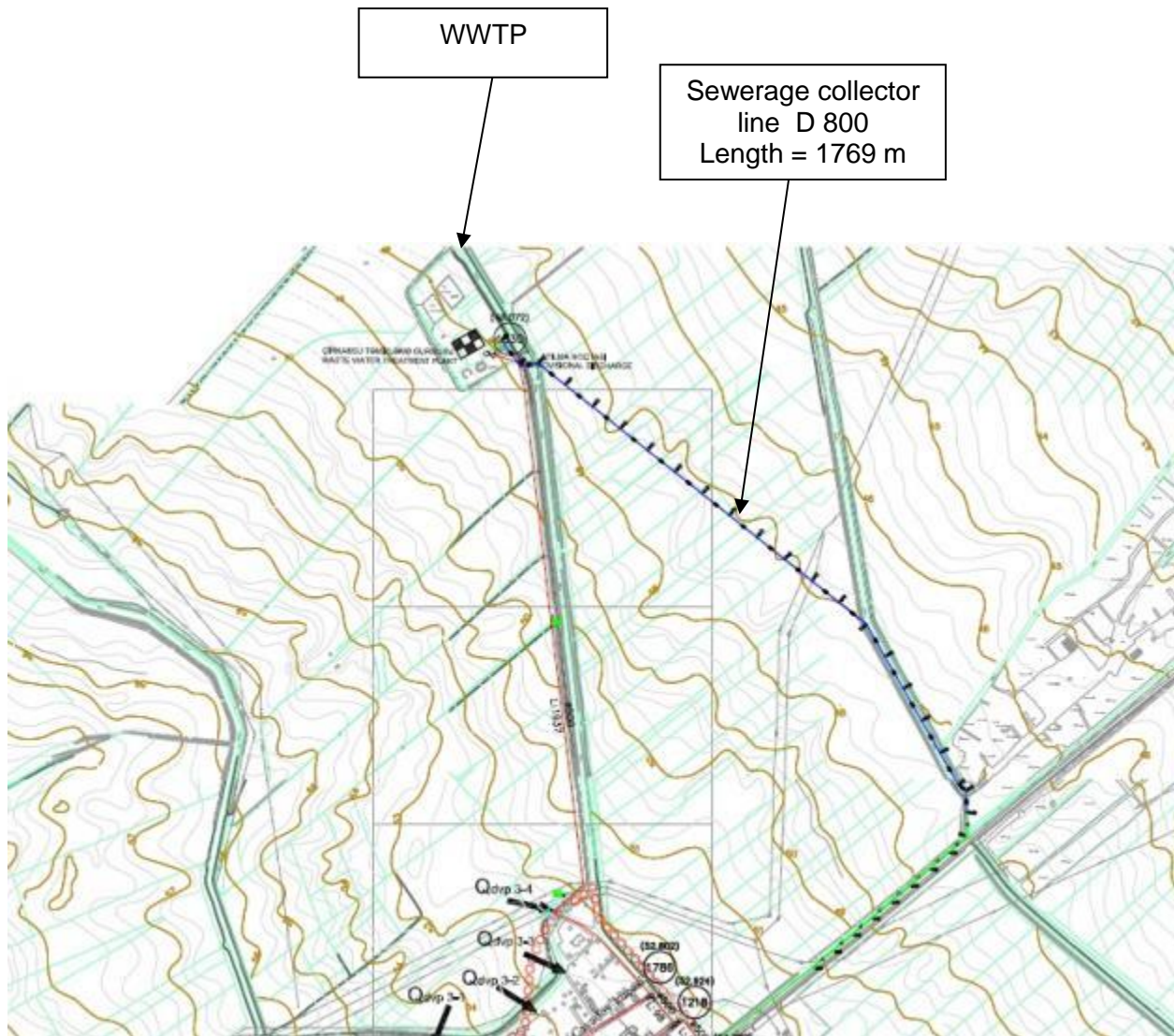
- (i) Socio-economic conditions of the DPs in the post-resettlement period;
- (ii) Communications and reactions from DPs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of informal settlers;
- (v) Valuation of property;
- (vi) Grievance procedures;
- (vii) Disbursement of compensation and
- (viii) Level of satisfaction of DPs in the post resettlement period.

69. A final external evaluation of LARP implementation will be carried out about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the LARP have been attained or not. The benchmark data of socioeconomic survey of severely affected DPs conducted during the preparation of the LARP will be used to compare the pre and post Program conditions. The evaluation will recommend appropriate supplemental assistance for the DPs should the outcome of the study shows that the objectives of the LARP have not been achieved.

Annex 1: Key Map with Location of Beylagan



Annex 2: Project location map



Annex3: Decree of Beylagan District Authority on WWTP Land Allocation



Azərbaycan Respublikası

Beyləqan rayonu İcra hakimiyyəti başçısının

SƏRƏNCAMI

№ 79

"22" dekabr 2008-ci il.

"Azərsu" Səhmdar Cəmiyyəti "Birləşmiş Sukanal MMC-nin" Beyləqan Sukanal İdarəsinə istehsalat bazasının və kanalizasiya təmizləyici qurğuların tikintisi altına torpaq sahəsi ayrılması

Barədə

"Azərsu" Səhmdar Cəmiyyəti "Birləşmiş Sukanal MMC-nin" Beyləqan Sukanal İdarəsi rayon İcra hakimiyyətindən daxil olmuş 19 dekabr 2008-ci il tarixli 362 sayılı məktubunda Asiya İnkişaf Bankının krediti hesabına Beyləqan şəhərinin su təchizatı və kanalizasiya sisteminin yenidən qurulmasına texniki iqtisadi layihə hazırlandığını bildirir və bunun üçün istehsalat bazasının tikinti altına 1,0 ha, kanalizasiya təmizləyici qurğuların tikintisi altına isə 3,5 ha torpaq sahəsi ayrılmasını xahiş edir.

Azərbaycan Respublikasında "Torpaq Məcəlləsi"nin 56-cı maddəsinin 5-ci bəndinə və Azərbaycan Respublikası Dövlət Torpaq və Xəritəçəkmə Komitəsinin Beyləqan rayon şöbəsinin 22 dekabr 2008-ci il tarixli 92 sayılı təqdimatına əsas götürərək


Qərara alıram

1. "Azərsu" Səhmdar Cəmiyyəti "Birləşmiş Sukanal MMC-nin" Beyləqan Sukanal İdarəsinin Asiya İnkişaf bankının krediti hesabına Beyləqan

şəhərinin su təchizatı-kanalizasiya sisteminin yenidən qurulması məqsədi ilə təchizat bazasının və kanalizasiya təmizləyici qurğuların tikintisi altına torpaq sahəsi ayrılması barədə 19 dekabr 2008-ci il tarixli 362 sayılı məktubu nəzərə alınsın.

2. "Azərsu" Səhmdar Cəmiyyəti "Birləşmiş Sukanal MMC-nin" Beyləqan Sukanal İdarəsinə su təchizatı və kanalizasiya sisteminin yenidən qurulması üçün istehsalat bazasının tikintisinə 1,0 ha, kanalizasiya təmizləyici qurğuların tikintisi altına 3,5 ha Dostluq qoyunçuluq üzrə damazlıq müəssəsinin torpaqlarından torpaq sahəsi ayrılısın.
3. Dövlət Torpaq və Xəritəçəkmə Komitəsinin Beyləqan rayon şöbəsinə tapşırılsın ki, "Azərsu" Səhmdar Cəmiyyəti "Birləşmiş Sukanal MMC-nin" Beyləqan Sukanal İdarəsinə su təchizatı və kanalizasiya təmizləyici qurğuların tikintisi altına ayrılmış torpaq sahəsinə qanuna müvafiq yer quruluşu sənədlərinin hazırlanmasını təmin etsin.
4. Bu qərarın icrasına nəzarət Beyləqan rayon İcra Hakimiyyəti başçısı aparatının Tikinti və Memarlıq şöbəsinə tapşırılsın.

Beyləqan rayon
İcra Hakimiyyətinin başçısı:


I.N. Əliyev.

Unofficial English Translation

**The Decree of
Head of Beylagan Executive Power**

No 79

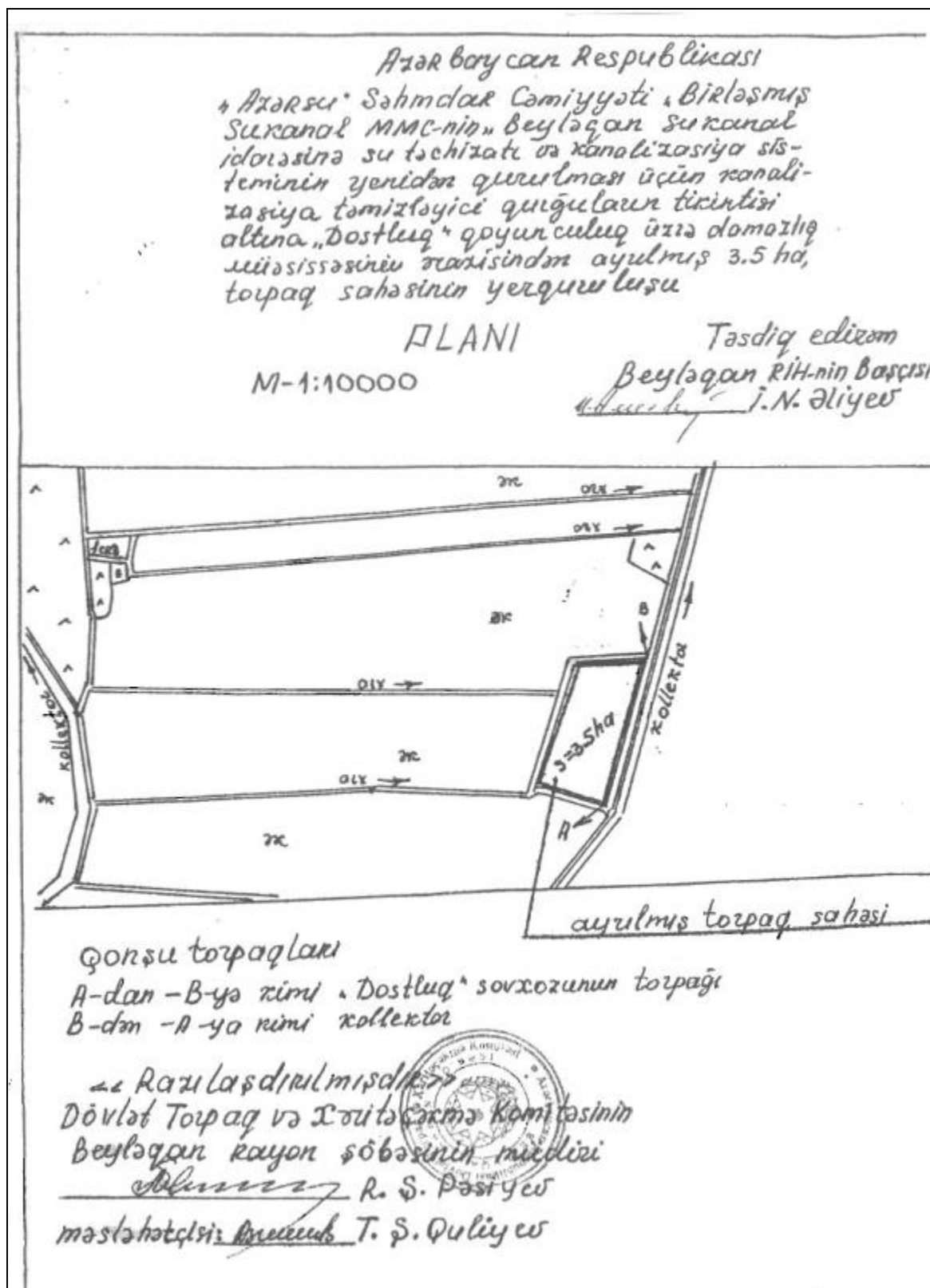
December 22, 2008

On land allocation for the
construction of workshop of
Beylagan Sukanal and wastewater
treatment station

Subject to letter no 362 dated December 19, 2008, Beylagan Sukanal reported to Beylagan Executive Power about the preparation of feasibility study for the reconstruction of water supply and sanitation systems in Beylagan town and requested to allocate 1.0 ha land for the construction of workshop, while 3.5 ha for the construction of wastewater treatment stations. Based on Item 5, Article 56 of Land Code of Azerbaijan Republic and presentation no 92 dated December 22, 2008 of Beylagan regional department of State Land and Mapping Committee, hereby decided:

1. To consider letter no 362 dated December 19, 2008 by Beylagan Sukanal on land allocation for the construction of workshop and wastewater treatment station under the Project on Reconstruction of water supply and sanitation systems in Beylagan town, funded by Asian Development Bank.
2. To allocate 1.0 ha and 3.5 ha from the area of Dostlug sheep pedigree enterprise respectfully for the construction of workshop and wastewater treatment station for Beylagan Sukanal under the reconstruction of water supply and sanitation systems.
3. Regional Department of State Land and Mapping Committee is to ensure preparation of documents for the land site allocated for the construction of workshop and wastewater treatment station in accordance with Law.
4. Construction and Architecture department of Beylagan Executive Power is to control the execution of this decision.

Annex 4: Annex to the decree of the Head of Executive Power for allocation of land for Wastewater Sewerage Treatment Plant



Annex 5: Tentative list of affected land plots

No	Name and Surname	Losses	Total area (ha)	Affected ares (ha) ¹	Percentage of loss (%)	Land use
1	Atakişiyeva Elmira Şükür	Land loss	2.55	0.09	3.5	clover
2	Mirzəyev Vilayət Bəylər	Land loss	3.88	0.11	2.8	clover
3	Mirzəyeva Aynurə Arif	Land loss	0.83	0.04	4.8	clover
4	Mirzəyeva Kəmalə Bəylər	Land loss	1	0.02	2.0	clover
5	Əliyev Həbil Əsədulla	Land loss	0.99	0.02	2.0	clover
6	Atakişiyev Oktay Məhəmməd	Land loss	3.83	0.11	2.9	clover
7	İbrahimova Şərabanı Abbas (v)	Land loss	1	0.04	4.0	clover
8	İbrahimov Məhərrəm İbrahim	Land loss	3.81	0.14	3.7	barley
9	İbrahimov Rüstəm İbrahim	Land loss	4.88	0.15	3.1	clover
10	Mikayılova Rəmilə Zakir	Land loss	4.91	0.15	3.1	clover
11	Abbasov Ələvsət Qalamirzə	Land loss	1	0.05	5.0	clover
12	Abbasov Əbülfət Qalamirzə	Land loss	0.98	0.04	4.1	clover
13	Mikayılova Rəmilə Zakir	Land loss	4.89	0.13	2.7	clover
14	Kərimova Bilur Muxtar	Land loss	5.93	0.23	3.9	clover
15	Mahmudova Könül Həmət	Land loss	1.94	0.06	3.1	clover
16	Qarayeva Aynurə Oruc	Land loss	1	0.03	3.0	clover
17	Fərzəliyeva Rəyhan Oruc	Land loss	0.99	0.03	3.0	clover
18	Mikayılova Rəmilə Zakir	Land loss	4.89	0.18	3.7	clover
19	Əbdullayev Vədadi Qurban	Land loss	3.99	0.11	2.8	clover
20	Bəhbudov Rövşən Qədir	Land loss	2.94	0.10	3.4	clover
21	Zeynalov Xəqani İsmayıl	Land loss	3.8	0.13	3.4	barley
22	Zeynalov Mubəriz İsmayıl	Land loss	3.99	0.14	3.5	grain (2), alf (1.99)
23	Zeynalov Cəmi İsmayıl	Land loss	1	0.05	5.0	clover
24	Zeynalov Cabir İsmayıl	Land loss	2.78	0.14	5.0	clover

¹ The consultant calculated these figures based on estimation of average width and length of affected plots. Details of impacts for each plot will be calculated after the cadastral maps will be prepared by SCPI

25	Qasımov Məhəmməd	Land loss	5.83	0.20	3.4	clover
26	Əliyev Tiflis Şahmar	Land loss	3.76	0.13	3.5	clover
27	Əliyeva Elmira Şahmar	Land loss	1	0.02	2.0	clover
28	Qasımov Məhəmməd Mahir	Land loss	2.88	0.11	3.8	clover
29	Əliyeva Qərənfil Akif	Land loss	0.96	0.04	4.2	clover
30	Məmmədov Sərdar Qurbanəli	Land loss	3.66	0.14	3.8	wheat
31	Aslanov Vahid Əmir	Land loss	3.99	0.15	3.8	clover
32	Əliyev Rəşad Savalan	Land loss	7.48	0.21	2.8	clover
33	Şirinov Yusif Rza	Land loss	2.9	0.11	3.8	clover
34	Məmmədov Bayraməli Həsən	Land loss	3.86	0.14	3.6	clover
35	Kərimov Məmmədəli Həbib	Land loss	3.92	0.15	3.8	clover
36	Cəlilov Paşa Kamil	Land loss	3.99	0.15	3.8	barley
37	Cəlilov Kövər Ramazan	Land loss	1.94	0.07	3.6	barley
38	Qasımov Rəfayıl Ziyəddin	Land loss	4.89	0.17	3.5	clover
39	Dadaşov Xanlar Bəhlul	Land loss	3.88	0.13	3.4	clover
40	Qasımov Rəfayıl Ziyəddin	Land loss	3.99	0.14	3.5	cotton
41	Mahmudova Humaya Ələşrəf	Land loss	0.88	0.04	4.5	cotton
42	Səfərova Suqra İbrahim	Land loss	1.99	0.08	4.0	cotton
43	Yusifov Ramil Şəmiddin	Land loss	0.89	0.03	3.4	clover
44	Yusifov Vüqar Şəmiddin	Land loss	3.99	0.14	3.5	clover
45	Əsgərova Ruhiyyə Abbas	Land loss	3.95	0.15	3.8	clover
46	Mahmudov Məhərrəm Mehdi	Land loss	2.9	0.11	3.8	clover
47	Nərimanov Cahid Əlovşet	Land loss	1.58	0.05	3.2	clover
48	Safarov Oktay İdris	Animal shelter and temporary dwelling shelter	-			-

Translation of the minutes of meeting:

Beylagan rayon,
Protocol of the public consultation held on 06 May 2016

Chairman of meeting: Shirinov Novruz

Secretary of meeting: Mamishov Sameddin

Participated: 25 persons, as well as construction supervisor of Azersu Faig Agayev

Agenda:

Rehabilitation of water and sewerage linesProject in Beylagan, Construction of Waste Water Treatment Plant and sewerage collector line that passes through private land plots

Listened:

Opinions of all participants who were listed here were listened and their opinions are shown in the list.

Based on speeches the following was decided:

It is recommended to revise the project proposal according to the relevant legislation by considering people's dissatisfaction.

Chairman of meeting: *(signature)*

Secretary of meeting: *(signature)*

Head of Shafag municipality: P.Jalilov*(stamp)*

Annex 6b: List of participants

List of Participants

İştirakçıların siyahısı

Place/Ərazi: *Beyləqan r-m*

Date/Tarix: *06.05.2016*

N	Surname and name (ad və soyad)	Rayon/village (rayon/kənd)	Signature (imza)
1.	<i>Səfərov Oğtay İbrahim</i>	<i>Beyləqan r-m</i>	<i>[Signature]</i>
2.	<i>Əhədov Düzə</i>	<i>Beyləqan r-m</i>	<i>[Signature]</i>
3.	<i>Əliyev Rəşad</i>	<i>" - "</i>	<i>[Signature]</i>
4.	<i>Əbədov Nəbi</i>	<i>" - "</i>	<i>[Signature]</i>
5.	<i>Əynəlov Cəbir</i>	<i>" - "</i>	<i>[Signature]</i>
6.	<i>Əynəlov Xəzr</i>	<i>" - "</i>	<i>[Signature]</i>
7.	<i>Əynəlov Cəmi</i>	<i>" - "</i>	<i>[Signature]</i>
8.	<i>Məmmədov Əyvan</i>	<i>" - "</i>	<i>[Signature]</i>
9.	<i>Əliyev Yusif</i>	<i>" - "</i>	<i>[Signature]</i>
10.	<i>Əliyev Nəzirov</i>	<i>" - "</i>	<i>[Signature]</i>
11.	<i>Əliyev Rüstəm</i>	<i>" - "</i>	<i>[Signature]</i>
12.	<i>Əynəlov Məhərriz</i>	<i>" - "</i>	<i>[Signature]</i>
13.	<i>Əliyev. Məhərriz</i>	<i>" - "</i>	<i>[Signature]</i>
14.	<i>Məmmədov Sərdar</i>	<i>" - "</i>	<i>[Signature]</i>
15.	<i>Yusifov Rəmil</i>	<i>" - "</i>	<i>[Signature]</i>
16.	<i>Məhərriz Vilayət</i>	<i>" - "</i>	<i>[Signature]</i>
17.			
18.			
19.			
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21.			
22.			
23.			
24.			
25.			

Sədaq qəsəbə Bələdiyyəsi *[Signature]*



Photos from public consultation



Annex 7: Photos of wastewater treatment plant area and with sheep farming temporary shelters.²



²Note: Semi-constructed structure made from stone is owned by Azersu Beylagan Sukanal