

# Resettlement Plan

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May 2016

Azerbaijan: Water Supply and Sanitation Investment  
Program – Project 4  
Agdash 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
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
PMC	-	Project Management Consultants
PMO	-	Project Management Office
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 on land acquisition and resettlement in Azerbaijan 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 twosub-projects respectively. This LARP covers Agdash sub-project of the Program.
2. In this LARP, negative impacts expected to occur from the construction of wastewater treatment plan, water reservoir and four wells 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 conduct 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.
4. The project will affect 3 agricultural land parcels owned by 2 households (HHs). There is no significantly affected<sup>1</sup> land plot. The acquired area is only a small portion for the water wells.
5. 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.
6. The project is proposed to be categorized as category B for Involuntary Resettlement as per ADB policy.
7. 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 Azersu.
8. 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.
9. LARP implementation will be completed and confirmed by Azersu before the start of civil work activities.

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<sup>1</sup> 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 consist of construction of waste water treatment facilities, water reservoir and water intake facilities and wells. Wells and intake facilities potentially 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 Agdash subproject under Project 4 of the Investment Program includes:

- (i) new wastewater treatment plant (WWTP) with installed capacity of 20,000 m<sup>3</sup>/day, which would cover Agdash town and some villages in the urban periphery;
- (ii) water reservoir with capacity of 5000 m<sup>3</sup>;
- (iii) transmission lines between wells;
- (iv) 4 new wells.

14. There will be no land acquisition and resettlement required for the first three components. The entire system is scheduled for completion by June 2018.

### **1.2 Land Acquisition and Resettlement Objectives**

15. AZERSU 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 are three wells.
19. In general, the 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. In spite of these prevention measures, there are a few unavoidable impacts such as loss of a total of 0.27 ha agricultural land for construction of the proposed wells. The loss will affect 2 households.

## 2. SOCIOECONOMIC INFORMATION AND PROFILE

20. Agdash is situated in the central Azerbaijan. The district consists of Leki settlement and 72 villages. This rayon has a favorable economic and geographic location. Turyan River and Kura River along South-West border extend through the territory of the rayon. Upper Shirvan Channel also crosses Agdash region.

21. The district is located at convenient geographic place having propitious weather conditions such as mild and dry subtropical climate. Population of Agdash district is 93,100, major part is Azerbaijani (98%). However, other ethnic groups such as the Lezghins, the Kurds, the Tats make up the other 2% of the Agdash rayon's population. The average population density in the city equals to 91 persons per km.

22. Agriculture plays main role in the economy of the district. Fruit trees, cotton and vegetables are widely cultivated here. Also silk-worm breeding is considered to be one of the ancient and traditional fields at the region. Leki Ginning Factory produces seedless raw cotton which provides 75–85% of all regional industrial production. In addition to that, the region has a developed plastic material and textile industry (Khosrov Metal plastmas Plant, Agdash Industrial Plant), food industry (Agdash Bread-Making Plant, Agdash Foodstuffs Plant) and production of construction materials (Kukel Brick Plant). Recently, "Orelay" and "FA com BICA" sweets production enterprises, "Arash" cooling water and "Arshin Malchin" textile plants have been put into operation in the region. There are sufficient education, health, social, recreational and public catering facilities in Agdash.

23. The quantitative social assessment of Agdash<sup>2</sup> has shown widespread poverty (31% of respondents quoted monthly average household income of less than AZN 100 (US\$ 128) and 49% less than AZN 150 (US\$ 192)) and low income levels (only 13% of the respondents quoted monthly average household income of more than AZN 300 (US\$ 385)). 34% of the respondents of the socio-economic survey (2010) working in the education and health sector quoted monthly average income of less than or equal to AZN 100 (US\$ 128) and 52% less than or equal to AZN 150 (US\$ 192); only 10% of the respondents quoted monthly average income of more than or equal to AZN 300 (US\$ 385)). On the other hand, 56% of the respondents working in the trading sector (including small shops and businesses) quoted monthly average income of more than or equal to AZN 300 (US\$ 385)). 43.6% of the respondents stated that they suffered from lack of food from time to time during the last 12 months whereas 82.5% expressed their worries about not being able to provide food and non-food products to their families in the future also. The

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<sup>2</sup> Socio-economic survey conducted in August 2011

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.

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

### 3. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

25. **Artesian wells (4):** Drilling of four wells are planned within Tranche 4 in Agdash. One of the planned wells is located in the Azersu owned land, whereas other three will be drilled in three private land parcels. According to normative documents 30mx30m sanitary protection zone must be allocated for each well. Therefore each well will require 0.09ha land to be acquired. The affected land parcels are owned by two HHs who live in Dahnakhalil village of Agdash rayon. Initial survey was conducted by Agdash SuKanal office together with representatives of Dahnakhalil village municipality, village representative of Rayon Executive Power, contractor and Investment Project Management Consultant (IPMC) in the project site. According to results of the survey DPs and impacts are:

**Table 1: Details of DPs and impacts**

Name and Surname of HH head	Number of HH members	Total area (ha)	Affect area (ha)	Percentage of impact	Affected tree and crops
Hasanov Ilham	7	1.3 ha	0.09 (30m x 30m)	7%	6 trees (3 persimmon, 2 apple, 1 peach)
Garayev Galib	4	1.95 ha	0.18 (30m x 30m x 2)	9%	N/A

26. **Wastewater Treatment Plant: Wastewater Treatment Plant.** The selected site for the wastewater treatment plant (WWTP) is a state land. Rayon Executive Power allocated this area to Azersu. According to the design total land requirement for the WWTP is estimated at 4ha including the protection zone for the pipelines and collection systems, however the allocated land plot is 24 ha which is enough to locate WWTP and the sludge disposal area. The Agdash subproject, therefore, will not involve acquisition of any privately owned land.

27. **Water reservoir:** Area required for construction of water reservoirs and related facilities is 2.75 ha area in Dahnakhalil village, which is owned by Azersu and quite sufficient for construction of water reservoir and related facilities. This land is unoccupied and unused. There is no anticipated impact on private properties for this component.

## 4. LEGAL FRAMEWORK

### 4.1 Azerbaijan Laws and Regulations on Land Acquisition and Resettlement

28. 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.

29. **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).

30. **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.

31. **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).

32. 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.

33. **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.

34. **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.

35. **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.

36. **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.

37. **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.

38. **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.

39. **State norms on construction of water utilities approved by State Committee on Construction and Architecture, dated 13 August 2015, No:04.** Article 13.2.2.1 states that at least 30 meter protection zone has to be provided for a single well.

#### **4.2 ADB Safeguard Policy Statement (SPS) 2009**

40. 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. A supplementary resettlement plan, where required, 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.

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

<b>Azeri Land Laws and Regulations</b>	<b>ADB SPS 2009</b>
Legal and legalizable DPs are to be compensated for lost land/other assets.	Requires legal and legalizable DPs are to be compensated for lost land/other assets.
Non-legal DPs receive resettlement	Non-legal DPs are to be compensated for non-

<b>Azeri Land Laws and Regulations</b>	<b>ADB SPS 2009</b>
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	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**

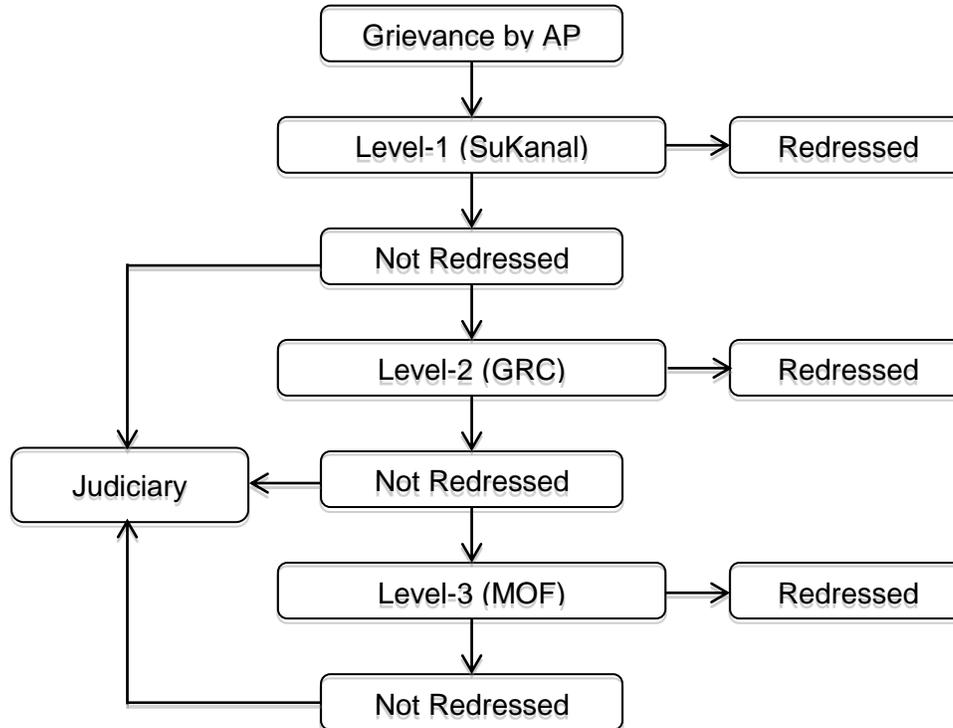
42. Representatives of Agdash SuKanal, IPMC and Contractor conducted consultations with affected three persons and other stakeholders, such as local municipality, rayon Sukanal office, on 7 May, 2016. The consultation took place in Dahnakhilil village of Agdash rayon. Officials of rayon and village municipality 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. DPs didn't ask any questions, however noted that they agree to give part of their land for state needs. Annex 7 shows list of participants and related photos.

### **5.2 Grievance Resolution**

43. A grievance redress mechanism will be established during final LARP preparation 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 PMC 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.

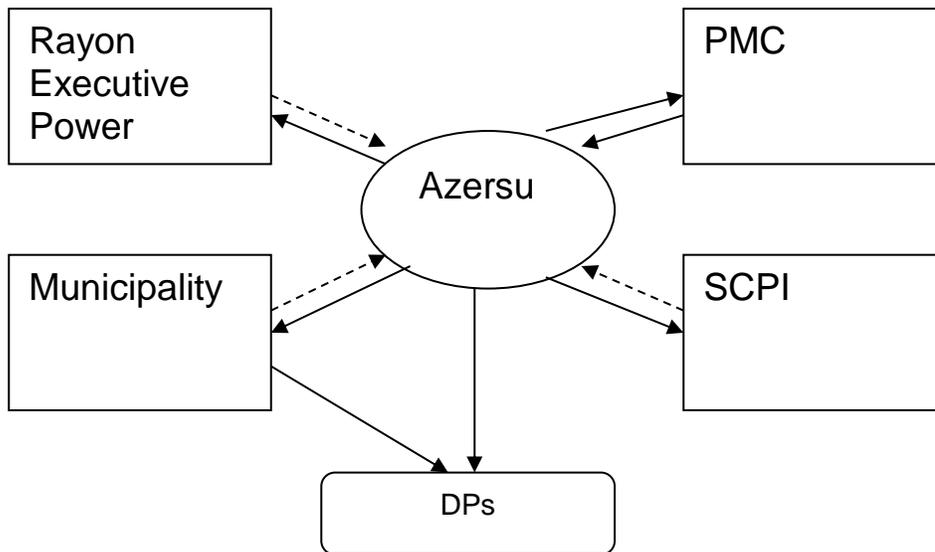
### 5.3 Disclosure

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)<sup>3</sup> 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 assets<sup>4</sup>; (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:

**(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. Local 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 PMC in receiving, registration and addressing complaints.

### **6.4 Investment Project Management Consultant (IPMC)**

53. The Investment Project Management Consultants (IPMC) are hired to design and assist in the implementation of projects under the entire Program. PMC 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 set 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.

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<sup>3</sup> So called engineering group for implementation of ADB financed projects

<sup>4</sup> Either by its own resources or by engaging independent valuator

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 (registered or not)	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 (registered or not)	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 were 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 plot will also be compensated if they become unusable after impact occur.

58. 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.

59. 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

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

61. However, for the purposes of draft LARP preparation, the Consultant made rough estimations. Registration and all other transaction costs will be paid by Azersu and the value of salvageable materials will not be deducted from compensation.

62. The direct cost of LAR activities in Agdash consists of compensation for the affected lands and trees. The resettlement budget will be integral part of the Program Cost and will be funded by AzerSu capital budget. AzerSu will pay compensation directly to the affected households in accordance with the rules and procedures of government. Cost of temporary impacts will be shouldered by the contractors and included in the civil works contract.

63. Tentatively estimated costs for LARP implementation is described in the following table:

**Table 4:** Land acquisition and resettlement budget

Item	Costs (tentative calculations, in AZN)
Compensation for land	2000
Compensation for trees	300
Cadastral map preparation and registration	1500
Administrative costs	1000
Monitoring Costs	2000
<b>Total</b>	<b>6800</b>
Contingency (10%)	680
<b>GRAND TOTAL</b>	<b>7480</b>

## 10. IMPLEMENTATION SCHEDULE

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

**Table 5.** LARP preparation/finalization and implementation action plan

Actions and timeframe	2016						2017		
	6	7	8	9	10	11	12	1	2
Preparation of cadastral maps based on the final design									
Identification and verification of DPs									
Update of Detailed measurement survey (DMS)									
Valuation of affected assets									

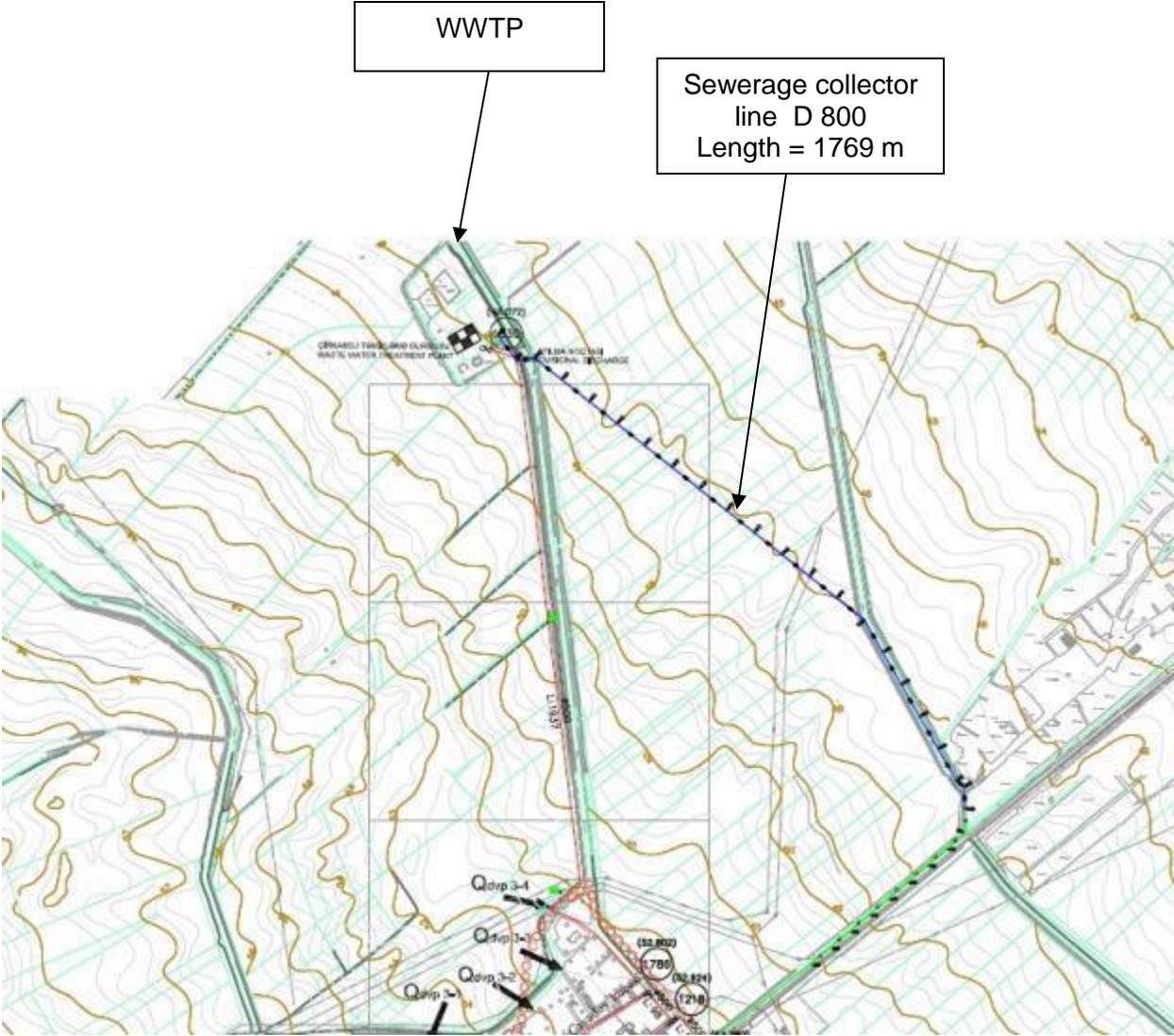


67. A final external evaluation of LARP implementation will be carried out about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the LARP have been attained or not. The benchmark data of socioeconomic survey of severely affected 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 Agdash



**Annex 2: Project location map**



**Annex3: Letter from Dahnakhhalil municipality of Agdash rayon on ownership status of land plots for construction of wells and water reservoirs**

Azərbaycan Respublikası  
Ağdaş rayonu  
DƏHNƏXƏLİL  
BƏLƏDİYYƏSİ

29-04-2018  
№ 32

**“Ağdaş Sukanal” TSC-nin direktoru  
cənab Nəriman Rəhimova**

Ağdaş şəhərinin içməli su və kanalizasiya xətlərinin yenilənməsi layihəsi çərçivəsində Ağdaş rayonu Dəhnəxəlil kəndi ərazisində ilkin araşdırmalar nəticəsinə görə qazılması nəzərdə tutulan Q6, Q7, Q8 subartezian quyuları kənd sakinlərinin pay torpaqlarına düşür. Q1, Q2, Q3, Q4, Q5 subartezian quyuları “Ağdaş Sukanal” TSC-nin balansında olan torpaq sahəsinə düşür.

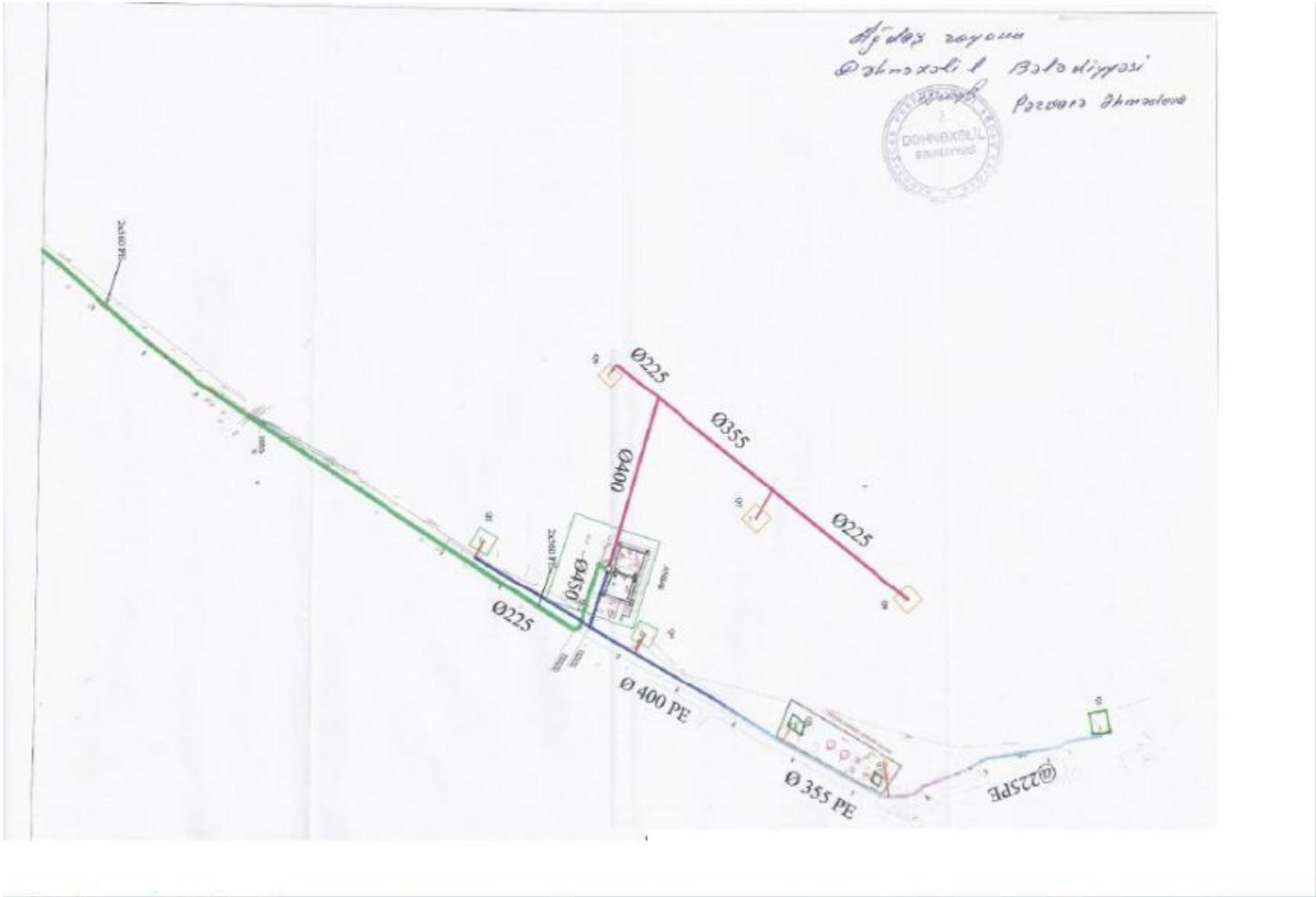
1.83ha torpaq sahəsi “Azərsu” ASC-nin balansında olan torpaq sahəsidir ki, həmin ərazidə su anbarı inşa ediləcək.

Regionların Sosial İqtisadi İnkişafı Dövlət Proqramı çərçivəsində görülməli işləri dəstəkləyirik.

**Ağdaş rayon Dəhnəxəlil**

**kəndinin bələdiyyəsi: Pərvanə Yusifqızı Əhmədova**





**Note:** The wells numbered Q-2, Q-3, Q-4 and Q-5 will be drilled within Tranche 2.

Translation of the letter of Dahnakhalil municipality

To Mr.NarimanRahimov

According to the initial site investigations which was conducted within the project for rehabilitation of water and wastewater lines in Agdash, areas of planned artesian wells numbered Q6, Q7 and Q8 are private land share areas; areas of Q1, Q2, Q3, Q4 and Q5 belongs to AgdashSuKanal SJSC.

1.83 ha land is also owned by Azersu where the reservoirs will be constructed.

We support activities within the State Program on Socio Economic Development of regions of Azerbaijan Republic.

Head of Dahnakhalil municipality

ParvanaYusifkiziAhmadova

**Annex4: Letter of permission from Construction and Architecture Department of Agdash Rayon Executive Power for locations of wells and water reservoir.**

**Azərbaycan Respublikası  
Ağdaş rayon İcra Hakimiyyəti**

Az 0300 Ağdaş şəhəri Heydər xiyabanı 5

☎ 5-51-94, 5-21-41, Fax: 0193-5-50-00 E-mail: agdash-rih@box.az

№ 08-261

« 20 » April 2016-cı il

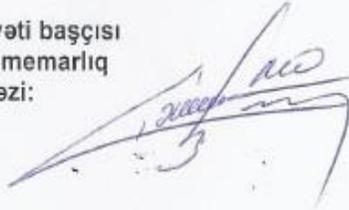
"Ağdaş Su-kanal" Törəmə Səhmdar  
Cəmiyyətinin sədri Nəriman Rəhimova

Sizin 19 aprel 2016-cı il tarixli, 36 nömrəli məktubunuza Ağdaş rayon İcra Hakimiyyətində baxılmışdır. Məktubunuzun icrası ilə əlaqədar olaraq Ağdaş şəhərinin içməli su ilə təmin edilməsi, yeni artezian quyularının qazılması və yeni magistral su xəttinin keçdiyi ərazinin hazırlanmış eskizi təsdiq edilərək sizə göndərilir.

"Ağdaş Su-kanal" TASC-nin balansında olan torpaq sahəsində inşa ediləcək anbar və artezian quyularında tikinti quraşdırma işləri aparılarkən işçilərin, eyni zamanda ərazidən keçən digər kommunikasiya xətlərinin təhlükəsizliyinin təmin edilməsi sizə həvalə olunur.

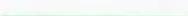
Eyni zamanda Azərbaycan Respublikasının Tikinti Norma və Qaydalarına əməl olunmasını, magistral su xəttinin keçdiyi ərazilərdə vətəndaşlara məxsus mülkiyyətlərin (torpaq, tikinti və.s) qorunmasını təmin etməyinizi xahiş edirik.

Rayon İcra Hakimiyyəti başçısı  
aparınının Tikinti və memarlıq  
şöbəsinin müdiri əvəzi:



Mahmud Çerkəzov

### ŞARTI İŞARELER

-  Layihələndirilən xətt
-  I mərhələ qayı xətti
-  II mərhələ qayı xətti (Layihələndiriləcək)
-  Şəbəkə xətti
-  I mərhələdə qurulan qayalar
-  II mərhələdə qurulan qayalar



Ağdas RIHB-si  
aparəatının Mərkəzi  
və İkinci şöbəsinin  
müdiri əvəzi.

Məhəmməd Cəfərov

**Republic of Azerbaijan**  
**Agdash Regional Executive Body**

No 08-261

April 20, 2016

To: Nariman Rahimov  
Chairman of "Agdash Sukanal"  
Subsidiary Joint Stock Company

Your letter number 36, dated April 19, 2016 has been considered in Agdash Regional Executive Body. Regarding with the execution of your letter, providing of Agdash city with potable water, drilling of new artesian wells and a draft of the area, through which a new main water canal crosses, has been confirmed and is sending to you.

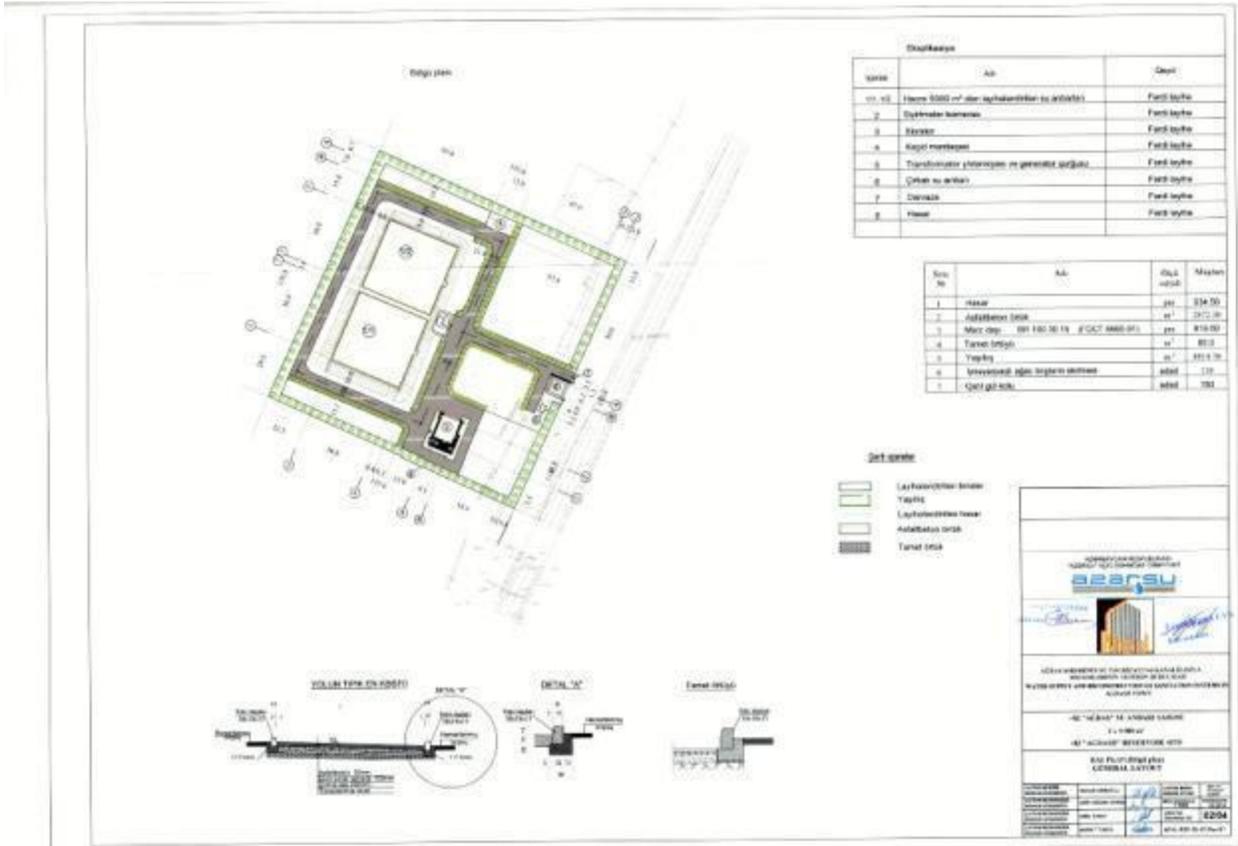
While performing construction and installation works in the warehouse and artesian wells to be constructed in the land being in balance of "Agdash Sukanal" Subsidiary Joint Stock Company, ensuring safety of employees, as well as communication lines crossing the area is charged to you.

At the same time, we would like to ask you to ensure fulfilling the Construction Norms and Regulations of the Republic of Azerbaijan and protection of properties (land, structure and etc.) belonging to citizens in the areas, through which the main water line crosses.

**Acting Director of**  
**Construction and Architecture Department of**  
**Regional Executive Body Apparatus**

**Mahmud Charkazov**

**Annex5: New reservoir site layout plan (Dahnakhilil village, Agdash)**



**Annex 6: Photos of affected areas**



Annex 7: List of consulted DPs and photos

Dəfnəxəlil kəndi.

List of Participants

İştirakçıların siyahısı

Place/Ərazi: Ağdaş r-m.

Date/Tarix: 07.05.2016.

N	Surname and name (ad və soyad)	Rayon/village (rayon/kənd)	Signature (imza)
1.	Həsənov İlham.	Ağdaş D/k.	Həsənov
2.			Rəziyev
3.	İzizova Ziyafət.	Ağdaş r. D/k.	İzizova
4.			Rəziyev,
5.	İzizova Təzəmə	Ağdaş D/k.	İzizova
6.			Rəziyev
7.			
8.			
9.			
10.	Əhmədov Eləzvan	Ağdaş D/k.	Bələdiyyə S. ƏB
11.			DƏFNƏXƏLİL
12.			Bələdiyyəsi
13.			təsdiqliyim.
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