

# LAND ACQUISITION AND RESETTLEMENT PLAN

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September 2017

TA-9154 AZE: Railway Sector Development program – PPTA Firm (48386-001) – Preparation of Feasibility Study for the rehabilitation of the Baku-Yalama (Russian border) Railway Line

Prepared by Azerbaijan State Railways Closed Joint Stock Company (ADY) of the Republic of Azerbaijan for the Asian Development Bank.

This resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

**CURRENCY EQUIVALENTS**  
(5 September 2017)

Currency Unit	–	Azeri Manat (AZN)
AZN1.00	=	\$0.5879 <sup>1</sup>
\$1.00	=	AZN 1.7010

**LIST OF ABBREVIATIONS**

ADB	—	Asian Development Bank
AP	—	Affected Person
DP	—	Displaced Person
MOF		Ministry of Finance
ADY	—	Azerbaijan Railways Closed Joint Stock Company
AZN	—	Azerbaijani Manat
DMS	—	Detailed Measurement Survey
EA	—	Executing Agency
LAR	—	Land Acquisition and Resettlement
LARP		Land Acquisition and Resettlement Plan
PIU	—	Project Implementation Unit
ID	—	Investment Department of ADY
PPTA	—	Project Preparatory Technical Assistance
ROW	—	Right of Way
SCPI	—	State Committee on Property Issues

**NOTES**

(i) The fiscal year (FY) of the Government of Azerbaijan ends on 31 December. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2017 ends on 31 December 2017.

(ii) In this report, "\$" refers to US dollars.

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<sup>1</sup> Source: Central Bank of Azerbaijan Republic [www.cbar.az](http://www.cbar.az)

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## GLOSSARY

1. **Affected Person (or household)** - People (households) affected by project-related changes in use of land, water or other natural resources. These include permanent and temporary loss of land, assets, and income. Affected persons entitled for compensation or at least rehabilitation provisions under the Project are: all persons losing land, or access to land, permanently or temporarily either covered by legal title/traditional land rights or without legal status; tenants and sharecroppers whether registered or not; owners of affected buildings, crops, plants, or other objects attached to the land; and affected persons losing business, income, and salaries;
2. **Asset Inventory** - A complete count and description of all property that will be acquired;
3. **Compensation** - Loss reimbursement for the Project affected persons; Cash payment or in-kind compensation in the due amount in return for the loss of assets (property), resources or income;
4. **Direct impact** - When privately owned land parcels are physically affected by the project;
5. **Economic Rehabilitation**-Economic Rehabilitation implies the measures taken for income restoration or economic recovery so that the affected population can improve or at least restore its previous standard of living;
6. **Eligibility**-The criteria for qualification to receive benefits under a resettlement program;
7. **Expropriation**-Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise use;
8. **Grievance Procedures**-The processes established under law, local regulations, or administrative decision to enable property owners and other displaced persons to redress issues related to acquisition, compensation, or other aspects of resettlement;
9. **Initial Baseline Survey**-The population census, asset inventory, and socio-economic survey together constitute the baseline survey of the affected population;
10. **Income restoration**-Re-establishing income sources and livelihoods of people affected;
11. **Involuntary**-Means actions that may be taken without the displaced person's informed consent or power of choice;
12. **Involuntary resettlement** - Development project results in unavoidable resettlement losses that people affected have no option but to rebuild their lives, income and/or assets bases elsewhere;
13. **Land** - Includes anything growing on or permanently affixed to land, such as buildings and crops;
14. **Land Acquisition** - The process of acquiring land under the legally mandated procedures of eminent domain.
15. **Land parcels under project impact** - When only privately-owned land parcels are physically affected by the project activities;
16. **Land parcel with residential house attached under project impact** - When privately owned land parcels as well as residential houses are physically affected by the project activities and require demolition of the house;
17. **Land parcel with supplementary structure under project impact** - When privately owned land parcels as well as any non-residential and non-commercial structures are physically affected by the project activities and may require demolition of the residential house as well;

- 18. Population Census** - A complete and accurate count of the population that will be affected by land acquisition and related impacts. When properly conducted, the population census provides the basic information necessary for determining eligibility for compensation;
- 19. Project Cycle**-The cycle of project development from initial phases of identification and assessment of feasibility, until its final implementation. From standpoint of the Project implementing agency, it is convenient to represent the project cycle as consisting of following phases: Pre-feasibility Assessment, Feasibility Studies, Project Design and Appraisal, Project Implementation;
- 20. Rehabilitation** -Re-establishing incomes, livelihoods, living, and social systems;
- 21. Relocation** - Rebuilding housing, assets, including productive land, and public infrastructure in another location;
- 22. Replacement rates** – Cost of replacing lost assets and incomes, including cost of transactions;
- 23. Resettlement Entitlements**- Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to displaced persons in the respective eligibility category;
- 24. Resettlement effects** - Loss of physical and non-physical assets including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms;
- 25. Resettlement plan** - A time-bound action plan with budget setting out resettlement strategy, objectives, entitlements, action, responsibilities, monitoring and evaluation  
Resettlement (Action) Plan - A resettlement action plan [RAP] is the planning document that describes what will be done to address the direct social and economic impacts associated with involuntary taking of land.
- 26. Resettlement Strategy (Rehabilitation Strategy)** - The approaches used to assist people in their efforts to improve (or at least to restore) their incomes, livelihoods, and standards of living in real terms after resettlement. The resettlement strategy typically consists of payment of compensation at replacement cost, transition support arrangements, relocation to new sites (if applicable), provision of alternative income-generating assets (if applicable), and assistance to help convert income-generating assets into income streams.
- 27. Socioeconomic Survey (SES)** - A complete and accurate survey of the project-affected population. The survey focuses on income-earning activities and other socioeconomic indicators;
- 28. Stakeholders** -A broad term that covers all parties affected by or interested in a project or a specific issue—in other words, all parties who have a stake in a particular issue or initiative. Primary stakeholders are those most directly affected—in resettlement situations, the population that loses property or income because of the project and host communities. Other people who have an interest in the project—such as the project authority itself, the beneficiaries of the project (e.g., urban consumers for a hydro-power project), and interested NGOs are termed secondary stakeholders;
- 29. Vulnerable groups** - Vulnerable people – Project affected people, especially these below the poverty line, families lead by single women, refugees and IDPs, the disabled;

## Executive Summary

1. Azerbaijan Railway CJSC (ADY) has requested the Asian Development Bank (ADB) to finance railway sector, corporate reforms, ADY financial restructuring and improvements to railway infrastructure, particularly along the north-south (N-S) railway corridor, to complement the ongoing investments on developing the East West railway corridor, i.e., the Baku-Tbilisi-Kars railway which connects Central Asia and Europe through the transit corridor between the Caspian and Black seas. The current length of the N-S railway corridor in Azerbaijan totals about 510 km, comprising (i) 192 km northbound railway link between Baku-Yalama (Russian border) which is double-tracked, electrified and equipped with automatic signaling system<sup>2</sup>; (ii) 129-km southbound railway link between Baku-Osmanly station which is double-tracked and electrified; and (iii) further 189-km southbound railway link between Osmanly Station and Astara Station which is single-tracked and non-electrified. The construction of the last missing 8.4 km railway link from Astara station to Iranian border was completed in mid-2017.
2. Five rehabilitation options were initially proposed within the framework of the Feasibility Study for the rehabilitation of Baku-Yalama railway line, covering full or partial rehabilitation of tracks, power supply and signaling and telecommunication equipment. The Option 1, which envisages the rehabilitation of only two main tracks, was selected for the project. This draft Land Acquisition and Resettlement Plan (LARP) has been prepared for Option 1, to be financed by ADB, in order to assess the potential land acquisition and resettlement impact based on the conceptual design of the feasibility study. The LARP complies with the requirements of ADB's Safeguard Policy Statement (2009) and Azerbaijani laws and regulations on land acquisition and resettlement. Due to feasibility stage, this document is based on the results of socio-economic surveys of households.
3. During the Interim Report phase, the potential land acquisition impacts of the rehabilitation of two main tracks were assessed based on 25-meters Right of Way<sup>3</sup>. Following the discussions between ADY and the PPTA Consultant, it was decided by ADY to set the Corridor of Impact for impact assessment and fencing purposes at 8-meter distance to the right and left from the 1<sup>st</sup> and 2<sup>nd</sup> main tracks. The set Corridor of Impact would be sufficient for the anticipated rehabilitation works and installing metal fencing along the railway for safety purposes. The draft document is therefore based on the concept design and current route alignment for main double railway tracks, with due consideration of the proposed metal fencing along the railway line with 8 meters distance from main tracks. If any adverse impacts on people and people's assets will be identified then width of the Corridor of Impact will be reconsidered and the implementation ready LARP will be prepared based on the revised Corridor of Impact. The potentially affected land parcels, walls and trees were defined through field observations, Google Maps and surveys of affected people. In general, the proposed fencing will have any impact on the people living near the railway in terms of mobility and other issues. It will rather serve as a safety measure for them, i.e. to avoid unsafe movement of people and livestock.

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<sup>2</sup> The Asian Development Bank provided project preparatory technical assistance TA-9154 AZE: Railway Sector Development Program – PPTA Firm (48386-001) – Preparation of Feasibility Study for the Rehabilitation of the Baku-Yalama (Russian Border) Railway Line.

<sup>3</sup> Right of way along the railway lines changes from 21 to 52 meters depending on height of the embankment and slope ratio. Decree of the Cabinet of Ministers of Azerbaijan Republic No.33 dated 23 February 2005. For this project ROW is approximately 25 meters.

4. Based on the studies using 8-meter Corridor of Impact approach, it was revealed that 4 land plots near Sumqayit Main station are partially located in an 8-m-long Corridor of Impact. There are residential houses and premises used as living facilities by 5 households (20 people) located on these land plots. The area of all four land plots is 1900 m<sup>2</sup>. The largest land plot is 650 m<sup>2</sup>, while the smallest one is 350 m<sup>2</sup>. Out of the mentioned 1900 m<sup>2</sup>, the total area of the land plots located in an 8-m-long Corridor of Impact is 400 m<sup>2</sup>.
5. No land compensation is to be paid within the scope of the project, as the given area is the property of ADY and at the stage of the study, the land owners failed to present relevant documents, which would prove their right of ownership of the given land plots or which would give them the possibility to register the said land plots as their property in the future.
6. As a result of the project implementation, the following objects will come under the impact: 50-m-long fences, with 20 meters of metal fences and 30 meters of stone fence and 10 perennial plantings (4 figs, 4 pomegranates and 2 mulberries), which are in average 5 years old. The users of the infrastructure and plantings affected within the scope of the project will receive relevant compensation.
7. All land users are under a severe impact, as they will lose more than 10% of their land plots. Consequently, all of them will receive the compensation for the severe impact. One such AH is vulnerable and receives relevant aid from the state. This AH will be given additional aid for three months based on the official minimum monthly salary for the year 2017, which is as follows: 116<sup>4</sup> AZN X 3 months = 348 AZN.
8. Certain orchard and plants falling within the project zone were found between Gusarchay and Khudat stations. As advised by ADY, the owner of the land plots and nut plantings on the given territory is ADY, which with the assistance of local Forestry Department of ADY, will clear the Corridor of Impact off the plantings. No compensation for these plantings will be given out within the scope of the project. Please see the Annex 4 for relevant site photos.
9. Based on the preliminary studies and calculations, the following amount of compensation will be given out.

**Table 1: Compensation matrix**

No.	Description	Amount in AZN	Amount in US\$
<b>A. Compensation for lost structures</b>			
A1	Compensation for metal wall 20 m X 700 AZN	14 000.00	8 230.00
A2	Compensation for stone wall 30 m X 400 AZN	12 000.00	7 055.00
A3	Compensation for trees	2 000.00	1 176.00
	<b>Sub-total A</b>	28 000.00	16 461.00
<b>B. Vulnerability Allowance</b>			
B1	Vulnerable People Allowance 1 AH X 116 AZN X 3 months	348.00	205.00
B2	Severe impact allowance	1 740.00	1 023.00

<sup>4</sup>The Presidential Decree dated 21 January 2017.

No.	Description	Amount in AZN	Amount in US\$
	5 AH X 116 AZN X 3 month		
	<b>Sub-total B</b>	2 088.00	1 228.00
	<b>Total Base Costs (A + B)</b>	30 088.00	17688.00
	<b>C. Contingency costs (15%)</b>	4 513.00	2 653.00
	<b>Total Costs (A + B + C)</b>	<b>34 601.00</b>	<b>20 341.00</b>

10. Azerbaijan State Railways CJSC will be the Executing Agency (EA) responsible for the implementation of the project. The project implementation will be coordinated by a Project Implementation Unit to be established at the EA. The Investment Department (ID) of ADY will conduct LARP implementation in close coordination with PIU. A Project Supervisory Consultant will conduct monitoring of LARP implementation activities, and will assist ADY and PIU in preparation of semi-annual social safeguard reports that will incorporate the progress on LARP implementation. Other agencies, such as local executive powers, municipalities and local offices of State Committee on Property Issues (SCPI), will be involved in verification of legal document on ownership status.
11. ADY will setup relevant grievance handling mechanism and a Grievance Redress Commission for the proposed project to receive, manage and properly file social and environmental complaints related to project implementation. All complaints will be firstly registered by Grievance Focal Persons (GFP) designated by ADY at each railway station located along Baku-Yalama railway line. Complainant will be able to submit grievance in person, via phone call, email, letter or fax to GFPs. The receipt of grievance lodged in person or via phone will be acknowledged immediately by a paper issued by the GFP or other persons received the grievance. Regardless of nature, all grievances are recorded in the registration form in detail. Upon receipt of grievances, GFPs will sort them into categories to define if the complaint is eligible for the project established by Grievance Redress Mechanism. The second, third and fourth step for grievance addressing will be Grievance Redress Commission within ADY, State Financial Control Agency under the Ministry of Finance and Court respectively. Complainants also have right to apply to an appropriate court anytime without passing through the above-mentioned steps. Alternatively, they can also use ADY's 1822 Hotline Service to register their complaints. This is a centralized online service, in which complainants and inquirers can dial 1822 and register their complaints. ADY will ensure that complaints are responded to within 24 hours from registering the complaints.
12. This draft LARP will be updated after the development of a detailed design for rehabilitation works to prepare an implementation-ready LARP. The rehabilitation works under the project will commence upon the approval of the implementation-ready LARP by ADB and the receipt of no-objection from ADB. Public consultations with affected households, monitoring for social safeguard and grievance redress processes will be implemented intermittently during the overall project duration. PIU will semi-annually submit progress reports on the status of implementation of LARP with relevant details on consultations with affected households, compensation, recorded grievances, and any challenges associated with social safeguard.

# 1. Introduction

## 1.1. Project objectives

13. Azerbaijan, a newly independent country with 9.8 million population, lies astride ancient north- south trading routes between the Russian Federation and the Middle East. In the east-west direction the major trade corridor extends through Georgia, connecting the Black Sea and the Caspian Sea, as well as the Russian Federation with Turkey and Europe. The three major physiographic features in Azerbaijan are: the Caspian Sea to the east; the Greater Caucasus mountain range to the north; and the extensive flatlands at the center.
14. The Government of Azerbaijan is endeavoring to transform Azerbaijan Railways (ADY) into a profitable company and to improve railway service delivery. Azerbaijan Railway CJSC has requested the Asian Development Bank (ADB) to finance railway sector and corporate reforms and ADY financial restructuring; and improvements to railway infrastructure, particularly along the north-south (N-S) railway corridor, to complement the ongoing investments on developing the East West railway corridor, i.e., the Baku-Tbilisi-Kars railway which connect Central Asia and Europe through the transit corridor between the Caspian and Black seas. The current length of the N-S railway corridor in Azerbaijan totals about 510 km, comprising (i) 192 km northbound railway link between Baku-Yalama (Russian border) which is doubled tracked, electrified and equipped with automatic signaling system; (ii) 129-km southbound railway link between Baku-Osmanly station which is double-tracked and electrified; and (iii) further 189-km southbound railway link between Osmanly Station and Astara Station which is single-tracked and non-electrified. The construction of the last missing 8.4 km railway link from Astara station to Iranian border was completed in mid-2017.
15. The Feasibility Study (FS) on the modernization of the existing railway link between Baku and Yalama was prepared by the PPTA Consultant. The FS mainly focus on the rehabilitation (rail track, bridges, stations/terminals and support facilities). The study explores railway components to promote an efficient, affordable, safe, environmentally friendly, and economically viable and financially rehabilitation and modernization works through the re-equipping and optimization of various aspects of railway infrastructure and systems, all to improve the quality of service while reducing operating costs. Rehabilitation works will start once the compensation / rehabilitation program under the LARP is fully implemented. This LARP covers the subtask 2.2 of the Task 2 of the Project (Safeguards: Environmental and Resettlement Aspects).
16. This LARP was prepared in accordance with:
  - (i) ADB's Safeguard Policy Statement (2009)
  - (ii) ADB's Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook (2012);
  - (iii) The laws and regulations on land acquisition and resettlement (LAR) in Azerbaijan.
17. The following options were initially proposed for the rehabilitation of Baku-Yalama line within the prepared feasibility study:
  - Option 1: Rehabilitation works on infrastructure (2 tracks). No rehabilitation of existing signaling & telecommunication and 3 kV DC power supply systems until medium-term;

- Option 2: Rehabilitation of infrastructure (2 tracks) and existing 3 kV DC power supply substations. Rehabilitation of signaling & telecommunication system postponed to medium-term;
  - Option 3: Full rehabilitation of infrastructure (2 tracks). All railway systems rehabilitated with conversion to 25 kV new AC power supply system with related signaling & telecommunication equipment
  - Option 4: Track 2 rehabilitated with conversion to 25 kV power supply system and related new signaling & telecommunication system; Track 1 placed out of service to be subsequently rehabilitated depending on traffic demand and funding availability; and
  - Option 5: Rehabilitation of one of existing double tracks and structures; followed by the rehabilitation of the other track in few years; no rehabilitation of signaling & telecommunication and electrical systems (which are retained at existing 3kV DC) until the medium-term.
18. During the Interim Report phase, the potential land acquisition impacts of the potential rehabilitation of two main tracks were assessed based on 25-meter Right of Way requirement as per the Decision No.33 of Cabinet of Minister of Azerbaijan Republic of 2005. Following the discussions between ADY and the PPTA Consultant on effective implementation of rehabilitation works with minimum impacts, it was decided that 8-meter Corridor of Impact distance to the right and left from the 1<sup>st</sup> and 2<sup>nd</sup> main tracks would be sufficient for the anticipated rehabilitation works and install metal fencing along the railway for safety purposes. It was decided that 8-meter Corridor of Impact distance to the right and left from the 1<sup>st</sup> and 2<sup>nd</sup> main tracks would be sufficient for the anticipated rehabilitation works. The draft document is therefore based on the concept design and current route alignment for main double railway tracks, with due consideration of the proposed metal fencing along the railway line with 8 meters distance from main tracks. If any adverse impacts on people and people's assets will be identified by the environmental investigations then width of Corridor of Impact will be reconsidered and the implementation ready LARP will be prepared based on the revised Corridor of Impact.
19. Based on the studies using 8-meter Corridor of Impact approach, it was revealed that 4 land plots near Sumqayit Main station are partially located in an 8-m-long Corridor of Impact and will be affected by the rehabilitation works of under the Option 1. There are residential houses and premises used as living facilities by 5 households (20 people) located on these land plots. The area of all four land plots is 1900 m<sup>2</sup>. The largest land plot is 650 m<sup>2</sup>, while the smallest one is 350 m<sup>2</sup>. Out of the mentioned 1900 m<sup>2</sup>, the total area of the land plots located in an 8-m-long Corridor of Impact is 400 m<sup>2</sup>.

## **1.2. Project location**

20. Geographically, the Republic of Azerbaijan is located in the South Caucasus region of Eurasia, straddling Western Asia and Eastern Europe. The Republic of Azerbaijan lies between latitudes 38° and 42° North, and longitudes 44° and 51° East. The total length of Azerbaijan's land border is 2 648 km, of which 1 007 kilometers are with Armenia, 756 kilometers with Iran, 480 kilometers with Georgia, 390 kilometers with Russia and 15 kilometers with Turkey.

21. The boundary which Azerbaijan shares with the Caspian Sea extends to a total of about 456 km. The railway line between Baku and Yalama (Russian Border) with a total of 194,5 km, is located on the coastline along the Caspian Sea.
22. Rail transport in Azerbaijan is operated by the national state-owned railway company Azərbaycan Dəmir Yolları (ADY).

**Map 1: Project Location**



## 2. Socio-economic background of the project area

23. Detailed information on the socioeconomic characteristics of the affected population was gathered through interviews with the affected households at Sumqayit Main station in September 2017. The survey covered the affected households who possess land, walls, auxiliary structures and trees that fall inside the 8-meter Corridor of Impact. The land parcels that will be exposed to impact are situated within the Right of Way of ADY (i.e. ADY's property), and no compensation will be therefore provided for these land parcels.

24. The interviewed 4 families have 20 members including 9 women making 45% of the total number of interviewees and 11 men (55%). One family on average has 5 members. It should be noted that none of the 20 members is over 65 years old. The accurate demographic data for the project zone are given in Table 2.

**Table 2: Demography of the affected people**

Age group	Women		Men		Total		Average per family
	No.	%	No.	%	No.	%	
Children <6 years	1	11.1	1	9.1	2	10.0	0.5
Young people (6-18 years)	1	11.1	4	36.4	5	25.0	1.25
Adults (19-64 years)	7	77.8	6	54.5	13	65.0	3.25
Pensioners (>65 years)	0	0.0	0	0.0	0	0.0	0.0
<b>Total</b>	9	100	11	100	20	100	5

25. 100% of the residents in the project zone are Azerbaijanis. It should be noted that in Azerbaijan, ethnic Azerbaijanis make 92.5% of the total population. Table 3 describes the ethnic background both, in the project zone and in the country.

**Table 3: Ethnic background**

Ethnic group	Number of affected people	%	% for Azerbaijan in general
Azerbaijani	20	100	92.5
Lezgian	0	0	2
Russian	0	0	1.3
Other	0	0	4.2
Total	20	100	100

26. All project DPs are urban residents. In Azerbaijan, the number of urban residents is 53.6%, while others live in the rural areas.

27. 18 of the 20 DPs (90%) living in the project zone have either elementary or secondary education. 2 DPs (10%) are younger than age of 6. See Table 4 for education background.

**Table 4: Education of affected people**

Category	Women		Men		Total	
	No.	%	No.	%	No.	%
Primary/secondary	8	100.0	10	100.0	18	100.0
Secondary vocational (vocational training)	0	0.0	0	0.0	0	0.0
Higher	0	0.0	0	0.0	0	0.0
Uneducated (illiterate)	0	0.0	0	0.0	0	0.0
Total	8	100	10	100	18	100

28. None of the four interviewed families owns a land plot. As already mentioned, the owner of the said land plots is ADY. Each family uses 475 m<sup>2</sup> land plot on average. The largest land plot used in the project zone is 650 m<sup>2</sup> and the smallest one is 350 m<sup>2</sup>.

29. All buildings, premises and auxiliary infrastructures in the project zone are built by the DPs.

30. 50% of the DPs in the project zone have no permanent income and the major source of their income is temporary incomes. 1 DP (25%) is employed at a public office and 1 DP (25%) has permanent income from his private business. The detailed information about the sources of income in Table 5.

**Table 5: Information about the major sources of income**

Type of activity	Major source of income	
	Number	%
Agriculture	0	0
Pension	0	0
Permanent wage at a public office	1	25
Permanent wage at a private business	1	25
Periodic compensation	2	50
One's own business	0	0
Agriculture	4	100

31. None of the affected families have two or more sources of income, but all of them have a single source of income.

32. The average monthly income of the families in the project zone is about 475 AZN. The maximum income is 900 AZN and the minimum income is 250 AZN.

33. As for the expenses, the costs borne for food and other supplies of the families in the project zone are roughly the same and make 237.5 AZN per month. The minimum monthly cost of food 150 AZN and maximum cost borne for food is 450 AZN a year.

34. As for the costs borne for the items other than food, the minimum cost is 100 AZN and maximum cost is 500 AZN a year.

**Table 6: Average monthly expenses (AZN)**

<b>Consumption model</b>	<b>Average monthly expenses</b>	<b>% total expenses</b>
Food	237.5	50
Other (except food)	237.5	50
Average	475	100

35. One of the 4 DPs (25%) has a bank credit. As for other 75%, none of them has a bank credit or private loan.

36. The detailed information about the kinds of domestic animals and essential commodities owned by the DPs is given in Table 7.

**Table 7: Ownership of household items**

<b>Item</b>	<b>Number of families</b>	<b>%</b>
Radio	4	100
Bicycle	0	0
TV	4	100
Gas stove	4	100
Fridge	4	100
Washing machine	4	100
Motorbike	0	0
Vehicle	0	0
AC unit	3	75
Cow/buffalo cow	0	0
Poultry	1	25

37. There are no medical facilities or polyclinics or kindergarten in the area adjacent to the project zone. The average distance to nearby market is about 2 kilometers. Major markets are located in Sumqayit City, and the distance to these markets is about 6 km. No high school, vocation school or university is located in the nearby settlement, and students travel to Sumqayit for schooling. Health facilities are also located in Sumqayit City. There is a mosque in the nearby settlement behind the Sumqayit Main station, but it will not be affected by the proposed project.
38. The affected households are connected to the central electrical power supply, gas supply and water supply systems. They are not connected to any other infrastructure, including sewerage system.

### 3. Impact Assessment

39. According to the requirements of Azerbaijan legislation: “The right of way along the railway lines changes from 21 to 52 meters depending on height of the embankment and slope ratio<sup>5</sup>”. For this project, the ROW is around 25 meters.
40. During the Interim Report phase, the potential land acquisition impacts of the rehabilitation of two main tracks were assessed based on 25-meter Right of Way requirement as per the Decision No.33 of Cabinet of Minister of Azerbaijan Republic of 2005. Following the discussions between ADY and the PPTA Consultant on effective implementation of rehabilitation works with minimum impacts, it was decided by ADY that 8-meter Corridor of Impact distance to the right and left from the 1st and 2nd main tracks would be sufficient for the anticipated rehabilitation works and install metal fencing along the railway for safety purposes. It was decided that 8-meter Corridor of Impact distance to the right and left from the 1st and 2nd main tracks would be sufficient for the anticipated rehabilitation works. The draft document is therefore based on the concept design and current route alignment for main double railway tracks, with due consideration of the proposed metal fencing along the railway line with 8 meters distance from main tracks. If any adverse impacts on people and people’s assets will be identified by the environmental investigations then width of Corridor of Impact will be reconsidered and the implementation ready LARP will be prepared based on the revised Corridor of Impact.
41. The potentially affected land parcels, walls and trees were defined through field observations, Google Maps and surveys of affected people. In general, the proposed fencing will have any impact on the people living near the railway in terms of mobility and other issues. It will rather serve as a safety measure for them, i.e. to avoid unsafe movement of people and livestock.
42. Following the implementation of the said change, the scales of resettlement decreased a lot, and only 4 residential houses with walls and plantings were now affected by the project.

**Figure 1. Residential houses affected by the project**



**Figure 2. Plantings in the 8-m-long zone**



<sup>5</sup>Cabinet of Ministers' Resolution No. 33 (23 February 2005) on Use of Lands Related to Railway Infrastructure and Lands Located within Railway Protection Zones

43. At the stage of development of the preliminary resettlement plan, the experts visited and studied both areas. Based on the accomplished studies, it was established that 4 land plots are partially located in an 8-m-long Corridor of Impact. There are residential houses and premises used as living facilities by 5 AHs located on these land plots.
44. The area of all four land plots is 1900 m<sup>2</sup>. The largest land plot is 650 m<sup>2</sup>, while the smallest one is 350 m<sup>2</sup>. Out of the mentioned 1900 m<sup>2</sup>, the total area of the land plots located in an 8-m-long Corridor of Impact is 400 m<sup>2</sup>.
45. No land compensation is planned to give out within the scope of the project, as the given area is the property of ADY and at the stage of the study, the land owners failed to present relevant documents, which would prove their right of ownership of the given land plots or which would give them the possibility to register the said land plots as their property in the future.
46. As a result of the project implementation, the following objects will come under the impact: 50-m-long fences, with 20 meters of metal fences and 30 meters of stone fence and 10 perennial plantings (4 figs, 4 pomegranates and 2 mulberries), which are 5 years old.
47. The users of the infrastructure and plantings affected within the scope of the project will receive relevant compensation.
48. All land users are under a severe impact, as they will lose more than 10% of their land plots. Consequently, all of them will receive the compensation for the severe impact.
49. One such AH is vulnerable being a disabled person and receives relevant aid from the state. This AH will be given additional allowance for three months based on official average minimum monthly salary, which is as follows: 116<sup>6</sup> AZN X 3 months = 348AZN.
50. There are also plantings within the project zone found between the stations Gusarchay and Khudat. As the social safeguard team has revealed, the owner of the land plots and nut plantings on the given territory is ADY, which, with the assistance of relevant departments, will clear the Corridor of Impact off the plantings. No compensation for these plantings will be given out within the scope of the project. Please see Annex 4 for relevant site photos.
51. During the development of final implementation-ready LARP, the following additional actions are to be implemented:
- The surveyors to draft accurate measurement drawings and determine the scales of impact.
  - Independent expert(s) to evaluate the structures (stone and metal walls) and plantings under the impact and determine the relevant compensations.

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<sup>6</sup> Presidential Decree dated 21 January 2017

## 4. Objectives, policy framework and entitlements

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

52. 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.
53. **The Constitution:** Recognizes the citizens' right to own, use and dispose property. It also recognizes three types 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).
54. **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 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.
55. **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;
- send official notifications to all affected persons about land acquisition;
  - pay full compensation to the affected persons within 90 days after the transaction agreement made;
  - assist relocated people; and
  - pay compensation for affected assets on the market rates (in case it is not possible to identify market rates, replacement prices are used).
56. 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.
57. **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.

58. **The Land Acquisition Law (LAL):** The Law specifically addressed 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 affected persons and grievance mechanism. The law considers various categories of affected 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. As per the LAL, in case of physical displacement, the acquiring authority needs to send notification to DPs at least 60 days before resettlement.
59. **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.
60. **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.
61. **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.
62. **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.
63. **Cabinet of Ministers' Resolution No.45 (24 February 2012):** It stipulates guidelines for preparation of resettlement plan, as well as shows sample content of a resettlement plan and resettlement guideline.
64. **Cabinet of Ministers' Resolution No. 55 (21 April 2011):** It reflects guidelines and criteria for the selection of a planner (person or entity who prepares resettlement plan or guideline).
65. **Cabinet of Ministers' Resolution No. 33 (23 February 2005) on Use of Lands Related to Railway Infrastructure and Lands Located within Railway Protection Zones:** The resolution provides the details on the protection corridors along railroads per categories of railroads. The relevant Right of Way details are given in next tables. The right of way along the boundaries of railway lines between stations is 25 meters. However, as mentioned in the Introduction section, ADY will use the 8-meter Corridor of Impact for the proposed rehabilitation works.

## 4.2. ADB Safeguard Policy Statement (SPS), 2009

66. 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 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 people resettlement plan 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.

67. The SPS distinguishes three categories of affected persons (AP), with variable compensation entitlements: a) Legal APs: APs with formal legal rights to land lost in its entirety or in part; b) Legalizable APs: APs without formal legal rights to land lost in its entirety or part but who have claims to such lands that are recognized or are recognizable under national law; c) Non-legal APs: APs who have neither formal legal rights nor recognized/recognizable claims to land lost in its entirety or in part.

68. For categories (a) and (b) above, ADY is expected to provide compensation at full replacement cost for lost land, structures, land improvements and relocation assistance. For APs in category (c) (informal settlers), ADY is expected to compensate all assets other than land (i.e. buildings, trees, crops, businesses) at full replacement cost. The risk of opportunistic encroachment for acquisition by the project is managed through a cut-off date.

69. Differences between Azeri law and regulations and ADB's policy are outlined in Table 8:

**Table 8: Comparison of Azeri Laws and Regulations Relevant to Land Acquisition and Resettlement and ADB's Safeguard Policy Statement (2009)**

<b>Issues</b>	<b>ADB SPS (2009)</b>	<b>Azerbaijani law</b>
<b>Livelihood rehabilitation</b>	ADB Policy requires rehabilitation/improvement of livelihood standards.	Notion of 'livelihood rehabilitation' is stipulated in Azerbaijani legislation.
<b>Compensation entitlements</b>	A. Legal and legalizable APs are to be compensated for lost land/other assets.	A. Legal and legalizable APs are to be compensated for lost land/other assets.
	B. Non-legal APs are to be compensated for non-land assets lost.	B. Non-legal APs receive resettlement allowances but are not compensated for real estate losses.
<b>Compensation</b>	A. Loss of land. Replacement land as preferred option or cash compensation at full market rate for legal/legalizable APs.	A. Loss of land. Cash compensation in cash at market rate plus 20%, or replacement land for legal/legalizable APs. An additional 10% premium for voluntary sale.
	B. Replacement of leased land. Based on replacement of lost income through cash compensation of gross income x the remaining lease years or a replacement lease	B. Replacement of leased land. Based on cash or lease replacement of lost income for remaining lease years or through a replacement lease.
	C. Loss of structures/ buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, other deductions	C. Loss of structures/ buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, other deductions, plus 20%
	D. Loss of indirectly affected items. Non-affected parts of an asset not usable after impact is to be compensated as well	D. Loss of indirectly affected assets. The law prescribes their compensation if so requested by APs.
	E. Loss of business. Compensation up to 12 months based on tax declaration. In absence of tax declaration compensation based on mechanisms agreed with ADY (usually maximum non-taxable salary).	E. Loss of business. indirectly provided as compensation for lost income. Compensation methodology not specified.
	F. Loss of trees. Irrespective of legal land occupancy status compensation at replacement cost based on tree type/ wood volume for wood trees and lost income (x tree type x 1-year income x production years lost) for productive trees.	F. Loss of trees. Indirectly provided as compensation for lost income. Compensation methodology not specified.
	G. Loss of crops. Compensation of crop in cash at market price.	G. Loss of crops. Mandate by the law as well but application not clearly defined.
	H. Loss of jobs. Indemnity ensuring AP rehabilitation. Arrangements to be agreed with EAs but usually based on salary x months of stoppage up to 6-12 months.	H. Loss of jobs. Compensated based on job income lost.
<b>LAR planning, assessment and impacts valuation</b>	Preparation of a comprehensive LARP for all projects disregarding number of AP. LARP includes:	Comprehensive surveys needed but DMS specified only for land and houses. Other impacts are assessed but DMS is not clearly required.

		A Resettlement Plan is carried out only if there are more than 200 APs and includes only items related to relocation. Resettlement Guideline should be prepared in case of less than 200 APs.
	i. Measurement survey. Measures through a DMS all affected items.	i. Measurement survey. Land and buildings clearly assessed through a DMS in the field. Other impacts also assessed but survey methodology is unspecified.
	ii. AP Census. Identifies all APs and establishes legitimate beneficiaries based on legal status.	ii. APs Identification. Same.
	iii. Socio-economic survey. Provides background information on APs' socio-economic features.	iii. Socio-economic survey. No comparable requirements exist.
	iv. Valuation survey	iv. Valuation survey
	a) Land: If land market exists based on a survey of recent transactions; without land market based on land productivity income.	a) Land: valued at market rate based on a transactions survey. Valuation includes transaction costs/third party liabilities
	b) Buildings/structures. Based on replacement cost of materials, labor, transport and special construction features without discounting depreciation, salvaged or transaction costs.	b) Buildings/structures. Same.
	c) Trees/crops. Based on the methodology detailed in section 2.	c) Trees/crops. Valuation methodology not specified.
	d) Business losses. Based on methodology detailed in section 2.	d) Business losses. Valuation methodology to be specified.
	e) Job Loss. Based on methodology detailed in section 2	e) Job Loss. Valuation methodology to be specified.
<b>Due-Diligence support mechanisms</b>	A. Information disclosure. LAR-related documents to be timely disclosed in the AP language.	A. Information disclosure. LAR documents/ impact assessment protocols to be disclosed.
	B. Public consultation. Meaningful public consultations to be held with the APs. APs to be informed on entitlements and options, as well as resettlement alternatives.	B. Public consultation. The legislation stipulates requirement for conducting Public Consultations by participation of APs and other stakeholders.
	C. Grievance procedure. A Grievance Redress Mechanism (GRM) is to be established for each project. Information on GRM to be communicated to the APs	C. Grievance Procedures. Grievance Redress Commission is formed if the Project has significant LAR impacts, A Resettlement Commission should also be established composed of 3-20 AP representatives to facilitate grievance redress process and other bilateral relations.
	D. Asset acquisition conditions. Property acquired only after full payment of compensation to APs	D. Asset acquisition conditions. Property to be acquired only after full payment of compensation to APs.
<b>Assistance to vulnerable and severely affected AP</b>	These APs are to be identified and special assistance is provided to restore/ improve their pre-project level of livelihoods.	No special consideration is given to these APs.

### 4.3. Compensation Eligibility and Entitlements for the Project

70. LAR tasks under the Project were implemented according to a compensation eligibility and entitlements framework in line with both Azeri laws and regulation and ADB's Policy.

71. Under the project, the affected households will be entitled to compensation and/or rehabilitation benefits:

- compensation for structures (stone walls and metal fencing)
- compensation for plantings
- compensation to the severely affected persons
- vulnerability compensation.

72. APs and affected assets were identified through an impact assessment survey. The end date of the impact assessment to be conducted after the project approval, i.e. preparation of an implementation-ready LARP, will be 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. Their dismantled structures will not be confiscated nor they will be fined or sanctioned. In addition, ADY is strictly controlling the protection zone (Corridor of Impact) in order not to let people to settle within this Corridor till the project approval.

73. The compensation and rehabilitation entitlements for each affected item established for the project is detailed below in table 9.

**Table 9: Entitlement Matrix**

Loss type	Impact	Displaced People	Compensation Entitlements
Stone walls and metal fencing	Full loss	All DPs (with/without house or building registration)	Cash compensation at replacement rate for affected structure/fix assets free of salvageable materials, depreciation and transaction costs,  In addition, 20% premium as per the Presidential Decree No. 506.  For partial impacts, full cash assistance to restore remaining structure. Cost of lost water and electricity connections will be included in the compensation.
Electricity lines, water and gas pipes	Relocation	Public facilities	If needed these assets will be fully relocated or rehabilitated so as to meet their pre-project functions and utilities
Fruit trees	Trees removed	All DPs (including non-legalizable land owners)	Cash compensation shall reflect income replacement. Fruit trees will be valued at market value of 1 year's produce X

			number of years needed to grow a tree of the same productivity.
Non-fruit trees	Trees removed	All DPs (including non-legalizable land owners)	Cash compensation at replacement cost based on tree type/ wood volume for non-fruit trees
Livelihood		Vulnerable DP (HHs below poverty line, disabled persons, women headed households and etc.)	1 additional allowance equal to 3 months at average minimum salary defined by the government for 2017.
Livelihood	Severely affected persons	All APs lose more than 10% of productive assets	1 additional allowance equal to 3 months at minimum official salary
Temporary loss of access during rehabilitation	People using railway crossing access points	Community assets	Construction schedule will be arranged so that closure of the existing crossings will be minimized. Temporary pedestrian/car crossings will be established to maintain people's access.
Unforeseen impact	Local people	All kind of negative impacts on people's assets and livelihoods	ADY and the contractor for rehabilitation works will address and mitigate/compensate unforeseen resettlement impact during project.

#### 4.4. Gender Impact and Mitigation Measures

74. In general, women constitute less than half of the members of affected households. To ensure the due consideration of the affected women in resettlement process, the following actions were considered during the LARP preparation:

- a. Specific gender disaggregation during survey;
- b. Invitation of women to public consultations during and after the project preparatory activities;
- c. Specific attention women during the assessment of potential project impacts.

## **5. Public Participation and Documents Disclosure**

75. Officials of Sumqayit City Executive Power and Municipality, as well as local electricity, water and gas supply companies have been duly informed about the Project. As this LARP was prepared as part of the Feasibility Study, it will be duly updated (i.e. preparation of an implementation-ready LARP) during the detailed design once the project is endorsed by ADB. A specific attention will be paid to impact, entitlement and compensation issue during the report update. This updated LARP will be made available to the DPs at the PIU after approval by ADB. The English version of the LARP will be disclosed on the ADB website after it is endorsed by ADY. A leaflet in English, summarizing compensation eligibility and entitlement provisions, grievance mechanism, and implementation schedule is attached as Annex 2. Upon the approval of the implementation-ready LARP by ADB, the proposed leaflet will be translated into Azerbaijani and distributed to affected households. It will be updated and distributed to all DPs during the detailed design stage, too.
76. The public consultations with the participation of affected households, the representatives of Sumqayit City Executive Power, Sumqayit City Municipality, local electricity, water and gas supply companies, and ADY was held on September 13, 2017 at Sumqayit Main Railway Station. The representatives were informed on potential land acquisition and resettlement impacts of the project to identified affected households, as well on the potential environmental issues. The details of consultations carried out with DPs are given in Annex 3. All persons under the project impact were duly informed about the project at the stage of the social survey (Figures 3 and 4).

**Figures 3 and 4. Meeting with the AHs during the social survey**



## 6. Grievance Redress Mechanism

77. ADY will setup relevant grievance handling mechanism and a Grievance Redress Commission for the proposed project to receive, manage and properly file complaints related to project implementation. All complaints will be firstly registered by Grievance Focal Persons (GFP) designated by ADY at each railway station located along Baku-Yalama railway line. Complainant can submit grievance in person, via phone call, email, letter or fax to GFPs. The receipt of grievance lodged in person or via phone will be acknowledged immediately by a paper issued by the GFP or other persons received the grievance. Regardless of nature, all grievances will be recorded in the registration form in detail. Upon receipt of grievances, GFPs will sort them into categories to define if the complaint is eligible for the project established by Grievance Redress Mechanism. The grievance management process is described in the following table:

**Table 10: Proposed Grievance Redress Mechanism**

Step	Description	Activities	Time frame
1	Project level	<p>Grievance Focal Person (GFP) receives the complaint and provide acknowledgement letter to the complainer within 3 days after receipt of the complaint. GFPs maintains a database of grievances.</p> <p>If the grievance is subject to land acquisition, valuation, compensation, entitlements, then GFP directly sends to the second level (grievance commission). On the other hand, the management of ADY's nearest railway station and local municipality tries to solve the complaint in 7 days.</p> <p>If the grievance cannot be solved within 7 working days, then the Contractor submits information to the Grievance Redress Commission of ADY, and provide information to the complainant regarding to the grievance.</p>	7 working days
2	Grievance Redress Commission within ADY CJSC	<p>ADY's Commission reviews and resolves the grievance within 15 working days. The Commission comprises of the following members:</p> <ul style="list-style-type: none"> <li>• Representative of the Infrastructure Department of ADY;</li> <li>• Representative of the Investment Department (ID);</li> <li>• Representative of ADY Property LLC;</li> <li>• Representative of the Legal Division;</li> <li>• Representative of the PIU to be established;</li> <li>• Representative of relevant regional unit (Sumqayit or Khachmaz) of ADY;</li> <li>• Representative of relevant railway station of ADY subordinating to Sumqayit or Khachmaz regional unit.</li> </ul>	15 working days

		<p>If the case is complex and requires investigation (experts' opinion), expertise or confirmations from the state bodies, the resolution period can be extended up to 30 calendar days. If the grievance cannot be still resolved, or the complaining party doesn't agree with the offered solution, then:</p> <p><b>In case of social safeguard issues:</b> it is forwarded to the Level 3 for resolution at the State Financial Control Agency under the Ministry of Finance.</p> <p><b>In case of environmental issues:</b> the 3rd stage is omitted and the case can be forwarded to the respective court (stage 4).</p>	
3	State Financial Control Agency under the Ministry of Finance	<p>The State Financial Control Agency under the Ministry of Finance reviews the grievance and resolves it within 30 calendar days.</p> <p>If the grievance is found invalid, a written response should be given to the complaining party, explaining reasons for the rejection</p>	30 working days
4	Court	If the complaining party is not satisfied with the Control Agency's decision, he/she can submit his/her complaint to the appropriate court of law for resolution.	Depends on nature of the complaint

78. DPs have right to apply to an appropriate court anytime without passing through the above-mentioned steps.

79. Alternatively, DPs can also use ADY's 1822 Hotline Service to register their complaints. This is a centralized online service, in which complainants and inquirers can dial 1822 and register their complaints. ADY will ensure that complaints are responded to within 24 hours from registering the complaints.

## **7. Institutional Arrangements**

80. The implementation of this LARP will involve different agencies, including ADY (PIU and ID), the Executive Power and Municipality of Sumqayit City, the Sumqayit office of State Committee on Property Issues, and ADB.

### **7.1. Azerbaijan State Railways Closed Joint Stock Company (ADY)**

81. ADY will have the overall responsibility for the Project, including the preparation, implementation, and financing of all LAR tasks and for interagency coordination. ADY will exercise its functions through the PIU to be established and the ID, which will be responsible for general project execution, and tasked with day-to-day project activities at rayon/subproject levels. For the PIU, LAR tasks will be managed by ID. The ID will be assisted by a Project Supervision Consultant (PSC) in preparation of LARP completion/compliance report, as well as planning, implementation and internal monitoring of the LARP-related activities.

### **7.2. Other agencies**

82. The relevant local authorities that will be involved in the preparation of the implementation-ready LARP are Sumqayit City Executive Power, Sumqayit City Municipality and Sumqayit office of the State Committee on Property Issues. They will be assisting ADY in negotiations with DPs and delivery of entitlements. Sumqayit Municipality will cooperate with the PIU and ID in handling the received complaints.

83. Project Supervision Consultant (PSC) will be responsible for ensuring LAR activities are aligned with SPS (2009). PSC will investigate grievances received and report the results in quarterly and semi-annual monitoring reports, which will be submitted to the PIU and ADB.

84. A Contractor to be selected by ADY for the rehabilitation works at Baku-Yalama railway tracks will have the responsibility of mitigating temporary impacts resulting from the rehabilitation activities. Based on the LARP and the Technical Design, the Contractor will delineate the Corridor of Impact from non-affected lands and premises to avoid any potential impact. It will assist ADY's local representatives in receiving, recording and addressing/transferring complaints.

## 8. Resettlement Budget and Financing

85. The persons affected within the scope of the given project will receive the following compensations: (i) compensation for stone walls or metal fencing, (ii) compensation for plantings, (iii) compensation to the severely affected persons and (iv) vulnerability compensation.

86. As already mentioned, within the scope of the present project, no land compensation will be given out, as at the stage of the study, since the land parcels exposed to impact are located within the Right of Way of ADY.

87. ADY, as the project owner, is responsible for coordination of the relevant activities for the timely allocation of the funds needed to realize the resettlement plan. The compensation budget shall be paid directly by the ADY.

### 8.1. Compensation for stone walls and metal fencing

88. Only walls with the total length of 50 m are located in an 8-m-long Corridor of Impact. 20 meters of the 50 meters are a metal fence with the height of 1 m and 30 meters are a stone fence with the height of 1 m and thickness of 20 cm.

89. The amount of compensation for 1 m of fence amounted to 700 AZN, and the compensation for the total fence amounted to 14000 AZN. The price of 1 m of stone fence was fixed at 400 AZN, while the value of the 30-m-long fence was fixed at 12000 AZN.

### 8.2. Compensation for trees

90. 10 fruit-bearing trees owned privately are located in the project zone: (i) 4 fig trees, 5 years old; (ii) 4 pomegranate trees, 5 years old, 2 mulberry trees, 5 years old.

91. Compensation payable for loss of annual crops of fruit trees was determined based on the data on the productivity of crops and the average price of crops reported by the State Statistics Committee of Azerbaijan Republic<sup>7</sup>.

92. The information about the compensation for the fruit-bearing trees is given in Table 11.

**Table 11. Compensations for the fruit-bearing trees**

#	Tree type	Average tree age (years)	Yearly income loss (AZN)	Quantity	Total value (AZN)
1.	Fig	5	40	4	800
2.	Pomegranate	5	50	4	1000
3.	Mulberry	5	20	2	200
<b>Total:</b>					<b>2000</b>

<sup>7</sup> Source: <http://www.stat.gov.az/source/agriculture/?lang=en>

93. The total compensation for the fruit-bearing trees amounted to 2000 AZN.

### 8.3. Severe impact compensation

94. All 5 AHs are under severe impact, as they will lose more than 10% of their land plots. All of them will receive additional compensation for severe impact making 450 AZN for each AHs.

### 8.4. Vulnerability Compensation

95. Only one of the 5 AHs is vulnerable due to being a disabled person. This affected person will receive the disability aid from the state in the amount of 116AZN/month defined by the government for the year 2017<sup>8</sup>. Within the scope of the project, the given AHs will receive the aid in the amount equivalent to the three-month's aid making 450 AZN. All compensation amounts to be paid within the scope of the project are given in Table 12.

**Table 12: Compensation Table**

No.	Description	Amount in AZN	Amount in US\$
<b>B. Compensation for lost structures</b>			
A1	Compensation for metal wall 20 m X 700 AZN	14 000.00	8 230.00
A2	Compensation for stone wall 30 m X 400 AZN	12 000.00	7 055.00
A3	Compensation for trees	2 000.00	1 176.00
	<b>Sub-total A</b>	28 000.00	16 461.00
<b>B. Vulnerability Allowance</b>			
B1	Vulnerable People Allowance 1 AH X 116 AZN X 3 months	348.00	205.00
B2	Severe impact allowance 5 AH X 116 AZN X 3 month	1 740.00	1 023.00
	<b>Sub-total B</b>	2 088.00	1 228.00
<b>Total Base Costs (A + B)</b>		30 088.00	17688.00
<b>C. Contingency costs (15%)</b>		4 513.00	2 653.00
<b>Total Costs (A + B + C)</b>		<b>34 601.00</b>	<b>20 341.00</b>

<sup>8</sup>The Presidential Decree dated 21January 2017.

## 9. Implementation Plan and Schedule

### 9.1. Responsibilities for Land Acquisition and Resettlement

96. The LAR activities will be implemented by the Infrastructure Department (ID) of ADY in due coordination with ADY Property LLC, a subsidiary company of ADY dealing with property issues. The main responsibility of ID is to coordinate all LAR activities undertaken by ADY, including consultation with, and information disclosure to, affected persons and organizations; liaison with government agencies on approval and clearances for land acquisition and resettlement plans, preparation of land compensation documents.
97. Although having certain land acquisition and resettlement experience, ID staff has limited knowledge on ADB's Safeguard Policy Statement and related requirements. An institutional strengthening support can be therefore provided to ID and PIU to be established for the proposed rehabilitation project with regard ADB's safeguard requirements on LAR process. ADB's support for capacity development will enable ADY to fully implement the LARP. The PIU and ID of ADY will be also supported by the Supervision Consultant during the implementation of LARP. The procedure to be followed in preparation and implementation of the LARP is as discussed below.
98. Update of LARP: On approval of alignment by ADY and completion of detailed design, the LARP will be updated and finalized in consultation with Sumqayit City Executive Power and Municipality, i.e. a draft implementation-ready LARP will be prepared.
99. Verification of LARP: During the implementation stage a field verification of the LARP will be carried out by ID and PIU. The land parcels to be acquired will be verified through comparison of LARP with the cadastral maps of the affected area together with APs, Executive Power, Municipality and the Sumqayit office of State Committee for Property Issues (SCPI).
100. Valuation of Assets: An independent valuator will be contracted by ADY to assess and prepare a valuation report on unit rates and compensation amounts for each DP. The Ministry of Finance will then review and approve the units and compensation rates. A 20% of the compensation value also added on top of the value of structures as per Presidential Decree No. 506-IIIQD (December 2007).
101. Notifications to DPs for acquisition: On completion of verification of LARP, the ID will contact the DPs and individually notify each DP about purpose of acquisition, area of impact and compensation amount etc.
102. Verification of ownership and legal status: The ID will submit the validated list of DPs to Sumqayit office of the SCPI for verification of ownership and legal status of the assets proposed for acquisition. The SCPI office will independently verify the ownership records, whether the property is mortgaged or any loan taken from bank, whether any restriction imposed by any court on use of land, authenticity of current user and current land use of each affected assets. After verification to their satisfaction, the State Committee on Property Issues Sumqayit office will issue Form-1 certifying no objection for any sale, transfer or acquisition of the said property.

103. Signing of Agreement with DPs: On the basis of Form-1 certification obtained from the State Committee on Property Issues' Sumqayit office, the ID will submit its proposals to the Notary Public Office at district level for the preparation of agreement. An agreement will be signed between the DPs and the authorized officer of ADY in front of Notary Officer. The signed agreements will be attested by notary officers and one copy in original will be provided to the DPs. In the event that the DP does not agree with the offered compensation amount, ADY will file expropriation at the court, deposit in the court the compensation amount, and request the court for the issuance of writ of possession.
104. Payment of Compensation: After signing of the agreements the DPs will furnish the original copy of their agreement at the designated bank and receive the agreed compensation amounts in cheques or transferred to their personal accounts.

## 9.2. Implementation Schedule

105. The proposed schedule for the LARP finalization and implementation is shown in the following table.

**Table 13: LARP finalization and implementation Schedule**

Activity	Responsible	Implementation duration (month)
Revision and submission of draft LARP to ADB	ADY/PPTA Consultant	0.2
Review and comments	ADB	0.3
Finalization of draft LARP	ADY/PPTA Consultant	0.2
Development of a detailed project design for rehabilitation works	ADY/Design Contractor	6
Detailed Measurement Survey (DMS) and Valuation based on the final design	ADY	0.5
Preparation of draft implementation-ready LARP based on the detailed design and its submission to ADB	ADY	0.5
Approval of the implementation-ready LARP by ADB and its disclosure on ADB website	ADB	1
Translation of the implementation-ready LARP into Azerbaijani	ADY/PIU	0.2
Allocation of necessary budget for LAR process	ADY/PIU	0.2
Notifications to DPs on LAR	ADY/ID	0.1
Signing of agreements with DPs	ADY/ID	0.1
Payment of cash compensation to DPs	ADY/ID	0.2
Preparation of LARP completion/compliance report and its submission to ADB	ADY/PIU/Project Supervision Consultant	1
Review and approval of the LARP completion report	ADB	0.3
No-objection for the commencement of rehabilitation works	ADB	0.2

## 10. Monitoring and Evaluation

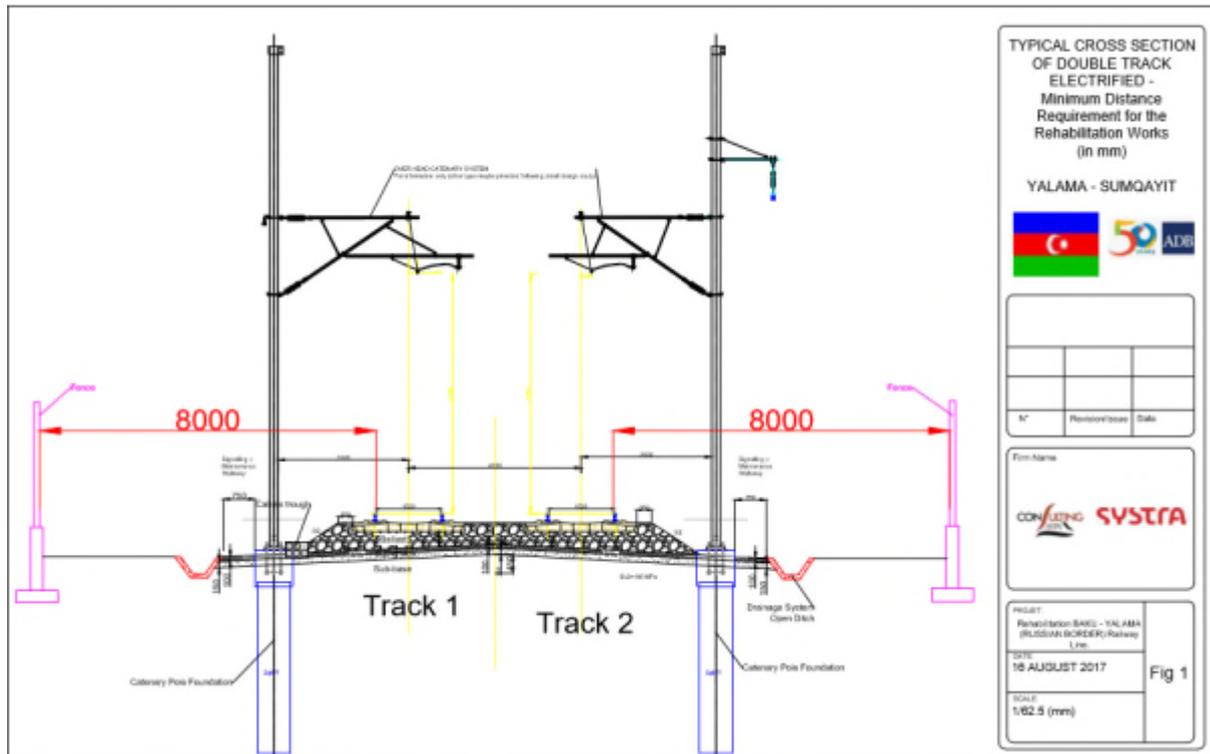
106. As required by ADB SPS, all agencies implementing loan projects shall prepare and submit semiannual monitoring reports that describe the progress on the implementation of land acquisition and resettlement activities, including any compliance issues and necessary corrective measures. The reports shall follow the land acquisition and resettlement indicators set during the LARP approval.
107. Internal monitoring will be carried out by ID/PIU, with assistance from the Project Supervision Consultant (PSC), to assess the progress and results of LARP implementation and adjust the work program, if necessary. Indicators for internal monitoring will include but not limited to: (i) budget and timeframe; (ii) effectiveness of entitlement and compensation; (iii) effectiveness of consultation and grievance processes.
108. IDPIU will undertake internal monitoring through the following instruments: (i) review of census information for all DPs, (ii) consultation and informal interviews with DPs, and (v) community public meetings. With the assistance of PSC, the PIU will prepare and submit to ADB semi-annual social safeguard reports for review and disclosure by ADB. These social safeguard monitoring reports will cover the progress/results on LARP implementation and safeguards activities including activities on past and future environmental and social impacts mitigation. Moreover, PMC and PIU will prepare and submit to ADB a LARP Completion/Compliance after the LARP implementation.
109. Indicators for internal monitoring will be those related to process and immediate outputs and results. Specific internal monitoring indicators are shown in Table 14.

**Table 14: Internal Monitoring Indicators**

<b>Monitoring Indicators</b>	<b>Basis for Indicators</b>
<b>Budget and Timeframe</b>	<ul style="list-style-type: none"> <li>• Have resettlement activities been completed according to the agreed timeframe?</li> <li>• Have funds been disbursed to the affected families according to the LARP?</li> <li>• Has all land required been acquired in time for project implementation?</li> </ul>
<b>Delivery of entitlements</b>	<ul style="list-style-type: none"> <li>• Have all DPs received complete payments on time?</li> <li>• Have all DPs losing temporary land been compensated?</li> <li>• Is restoration proceeding for social infrastructure and services?</li> <li>• Has the Contractor repaired/reinstalled affected fences and auxiliary structures/items?</li> </ul>
<b>Consultation, Grievance and Special Issues</b>	<ul style="list-style-type: none"> <li>• Have consultations taken place as scheduled?</li> <li>• Do DPs know their entitlements?</li> <li>• Has any DP used the grievance redress procedures? What were the outcomes?</li> <li>• Have conflicts been resolved?</li> </ul>

## **Annexes**

# Annex 1: Longitudinal Diagram of the Proposed 8-Meter Corridor of Impact Approach



## Annex 2: Leaflet of Resettlement

### LEAFLET ON RESETTLEMENT

This Land Acquisition and Resettlement Plan (LARP) has been prepared for the project on rehabilitation of two main tracks of Baku-Yalama railway line, to be financed by Asian Development Bank (ADB), in order to assess the potential land acquisition and resettlement impact based on the conceptual design of the feasibility study. The LARP document is based on the results of socio-economic survey of households. It will be updated after the completion and approval of a detailed design on the Baku-Yalama railway line double track rehabilitation, to evaluate the projects actual impacts through detailed measurement survey. This draft LARP was prepared in accordance with:

- a. ADB's Safeguard Policy Statement (2009)
- b. ADB's Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook (2012);
- c. The laws and regulations on land acquisition and resettlement (LAR) in Azerbaijan.

The LARP outlines impacts, compensation policy, compensation and rehabilitation provisions, cost estimates, and implementation schedule to compensate the impacts caused by Baku-Yalama Railway Line Rehabilitation. The affected areas are located at Sumqayit Main station.

Azerbaijan State Railways Closed Joint Stock Company (ADY) will have the overall responsibility for the Project, including the preparation, implementation, and financing of all LAR tasks and for interagency coordination. ADY will exercise its functions through the Project Implementation Unit (PIU) to be established and the Investment Department (ID) of ADY, which will be responsible for general project execution, and tasked with day-to-day project activities at rayon/subproject levels. ID will organize and internally monitor LARP preparation, approval, and implementation (including surveys, asset valuation, and community consultation), and LAR-related interagency coordination.

Land acquisition and resettlement activities of the Project will be implemented in due compliance to local laws and regulation of Azerbaijan Republic and ADB's policies and requirements. The compensation entitlement under the Project is provided below.

#### Entitlement Matrix

Loss type	Impact	Displaced People	Compensation Entitlements
Stone walls and metal fencing	Full loss	All DPs (with/without house or building registration)	Cash compensation at replacement rate for affected structure/fixed assets free of salvageable materials, depreciation and transaction costs,  In addition, 20% premium as per the Presidential Decree No. 506.  For partial impacts, full cash assistance to restore remaining structure. Cost of lost water and electricity connections will be included in the compensation.
Electricity lines, water	Relocation	Public facilities	If needed these assets will be fully relocated or rehabilitated so as to meet their pre-project functions and utilities

and gas pipes			
Fruit trees	Trees removed	All DPs (including non-legalizable land owners)	Cash compensation shall reflect income replacement. Fruit trees will be valued at market value of 1 year's produce X number of years needed to grow a tree of the same productivity.
Non-fruit trees	Trees removed	All DPs (including non-legalizable land owners)	Cash compensation at replacement cost based on tree type/ wood volume for non-fruit trees
Livelihood		Vulnerable DP (HHs below poverty line, disabled persons, women headed households and etc.)	1 additional allowance equal to 3 months at average minimum salary defined by the government for 2017.
Livelihood	Severely affected persons	All APs lose more than 10% of productive assets	1 additional allowance equal to 3 months at minimum official salary
Temporary loss of access during rehabilitation	People using railway crossing access points	Community assets	Construction schedule will be arranged so that closure of the existing crossings will be minimized. Temporary pedestrian/car crossings will be established to maintain people's access.
Unforeseen impact	Local people	All kind of negative impacts on people's assets and livelihoods	ADY and the contractor for rehabilitation works will address and mitigate/compensate unforeseen resettlement impact during project.

## **Annex 3: Information on Public Consultation held at Sumqayit Main station**

### **The Project for the Preparation of Feasibility Study for the Rehabilitation of Baku-Yalama Railway Public Consultation Meeting**

<b>Date:</b>	13 September 2017
<b>Venue of the meeting:</b>	Building of the Sumgayit Main Railway Station
<b>Project:</b>	The Project for the Preparation of Feasibility Study for the Rehabilitation of Baku-Yalama Railway
<b>Employer:</b>	Azerbaijan Railways CJSC (ADY)
<b>Consultant:</b>	SYSTRA (France) and "ARPA Consulting" (Azerbaijan)

#### **Agenda:**

- I. Collecting the attendance lists
- II. Introduction of the Project and discussion of its impacts in terms of environment and resettlement
- III. Debriefing on the Project
- IV. Proposed environmental mitigation measures

#### **Introduction**

Mr. Ilham Guliyev, Chief of Sumgayit Main Railway Station opened the consultations. Welcoming the participants, first, he briefly informed them on the objectives of the meeting. He highlighted the significance of public consultations for the Project, and mentioned the importance of engaging a dialogue to clarify the problems that may arise out of the project activities.

Mr. Muslum Gurbanov, Environmental expert of ARPA Consulting, was invited for speech to get detailed information on the Project.

Mr. Gurbanov gave information on the objectives of the Project for the Preparation of Feasibility Study for the Rehabilitation of Baku-Yalama Railway, the types of the works related to its implementation, the existing conditions of environmental impact and the expected results from the above project. He stated that this is already the second public consultation meeting at Sumgayit Main Railway Station. Main discussion topics during the initial consultations held on the 8<sup>th</sup> of August were the social problems of the residents generated from railway operations. Following this meeting, the households on the surveillance zone of railway which will be affected in terms of acquisition and resettlement of land parcels have been determined. Afterwards, in accordance with the ADB (Asian Development Bank) requirements, there were conducted household interviews. The objective of today's meeting is to discuss the environmental impacts to the residents and the environment, as well as the activities for its mitigation and elimination, and verification of the households to be affected by acquisition and resettlement of land parcels.

Mr. Gurbanov suggested discussing the problems and questions raised by the participants on the below current impacts to the environment:

- Impact of nuisance and vibration to the residents during railway operations
- Air pollution with toxic gases during railway operations
- Air pollution with toxic waste during railway operations
- Risks occurred for movement of the residents during railway operations
- Impact of the existing conditions of bridges to the rivers during railway operations
- Risks occurred for the operation of utility lines during railway operations

- Issues regarding the Environmental Risks Management
- Sanitary environmental situation and safety issues of passengers at railway stations
- Risks related to the use of animal crossings during railway operations
- Impacts to flora and fauna during railway operations

### **Q&A:**

**Question: Shahveren Isgandarov (resident)**

We, the residents of the houses located nearby, have several challenges regarding the current situation. Therefore, we are pleased by the rehabilitation of the railway. We hope that the problems we have been facing since many years will be resolved. The people suffer a lot from nuisance, smell and odor. Vibrations at dwellings are clearly felt during the train movements. Many dangerous situations occur due to the crossings. I would like to ask, whether or not the trains speed will be increased after the rehabilitation. What speed is expected?

**Answer:** **First of all, I would like to note that, negative impacts used to and still happen basically due to absence of long time major overhauls at this section of the railway that you have noted righteously related to railway operations.** These impacts include the high level of nuisance and vibration, an increase of chemical pollution – toxic pollutants thrown to the air, earth and water. Pollution was generated from several reasons which are: the use of outdated maintenance tools, pollution of sleepers and rails due to the leak of diesel at stations? Bridge piers/abutments which became unsuitable due to the erosion and caused fatal situation, collection of discharge water due to the drainage system being old. As an answer to your question, I would like to state that the average speed limit will reach out to 80 km/h after the rehabilitation. The implementation of elimination and mitigation activities regarding the above environmental impacts are planned.

**Question: Shahveren Isgandarov (resident)**

My question regarding the speed is that with the current situation of the pedestrian crossings, the train operations can increase the possibility of accidents. Even with the existing speed some accidents happened and resulted with loss of cattle on railways.

**Answer:** That is right. Reconstruction of crossings and upgrading the signaling system is considered in the Project for the safety of traffic in high speed.

**Question: Mr. Shahveren Isganderov (resident)**

Will the old sleepers be used during demolition activities?

**Answer:** The old sleepers would be contaminated with toxic pollutions during demolition activities. Their utilization by population can cause a serious threat to health. Therefore, all collected waste will either be transported to the National Hazardous Waste Management Center under the Ministry of Ecology and Natural Resources, or “Temiz Sheher” OJSC will transport to the previously designated deposit areas via special trucks or wagons by collecting with the agreed methods via and neutralize in comply with the certain standards accordingly.

**Question: Mehman Isganderov (resident)**

We feel the exceeding amount of nuisance and vibration in our homes. But there is no information regarding how much their levels are. Is there any information regarding their value and measure?

**Answer:** Unfortunately, the information on nuisance and vibration, even also for the level of chemical pollution is not currently available. As a result of implementation of the Project the level of pollution will be adjusted to the national and international standards. The measures taken cover replacement of the technical facilities with new ones and also construction of retaining walls against nuisance etc.

**Question: Javid Nadirov (Engineer, Gas Department), Mammad Asadov (Sumgayit Sukanal Department, Azersu OJSC), Aydin Turabov (Power Distribution Company)**

Our question is related to the conditions of the utility lines. Currently, there are utility lines passing under the railway that can cause very serious dangers to the environment as a result of accidents happening to them. Therefore, a collaboration needs to be established among relevant organizations regarding utility issues during project implementation.

**Answer:** There are earthworks activities and replacement of sleepers planned within the project. The utility problems will be solved accordingly within this frame. This is not only related to the gas lines, but also to water pipelines and electrical lines.

**Question: Garibaga Ahlimanov (from Sumgayit city Housing Operation Department No. 23)**

My question is related to improvement of the condition of the sewerage system. Sewerage wells are utilized due to absence of a centralized sewerage system in the settlement, which can cause contamination of underground water.

**Answer:** The Project will implement taking technical measures along the Baku-Yalama railway route. The sanitary network of Sumgayit Main Railway Station was connected to the centralized sewerage system and there is no negative factor affecting to employees' and passengers' sanitary-hygiene conditions here. Establishment of a sewerage system in the settlement is a separate issue and this is outside of the Project.

**Question: Gulbala Muradov (resident)**

As you know, a part of the railways passes through bridges over rivers. Piers (abutments) of these bridges are about to collapse due to not carrying out repair for a long time. Ballast and demolition materials of abutments fall into the rivers under bridges during movement of trains. There is also a main water pipeline passing in the vicinity of this bridge. There is also a probability of this pipe being damaged as a result of a possible accident. Inhabitants cannot use contaminated river water. How will this problem be solved?

**Answer:** Bridges and abutments (piers) will be overhauled within the Project. Unfortunately, the contamination value of the river was not determined due to the bridges being in use at the moment.

**Question: Garibaga Ahlimanov (from Sumgayit city Housing Operation Department No. 23)**

Apparently, Sumgayit Main Railway Station can be considered as an old building. It was constructed in 1912. What will the later life of this building be during implementation of activities within the project?

**Answer:** The objects located along the area and listed as historical monuments will be listed out. There is no such a fact of the existence of this type of buildings in your area.

Probably, the building of the station will be repaired through the consultations with relevant state authorities. These issues will be solved among the Executing Agency of the Project, “Azerbaijan Railways” CJSC (AR) and relevant state institutions.

### **Outcomes and suggestions**

Mr. Gurbanov expressed his appreciation to all representatives for active participation and support to the Project, and announced the first part of the meeting closed.

On the second part of the meeting Mr. Teymur Sultanov, an expert of “ARPA” Consulting, shared information regarding guidelines of the Social Safeguard Policy of the Asian Development Bank during the meeting with the project-affected families and people as well as by the presence of the representatives of local executive officials and ADY. The information regarding constructions of the project affected households and crop-fields to be procured were verified together with them.

### **List of Participants:**

1. Elkhan Hajiyev – Chief Engineer, Sumgayit Station
2. Fakhraddin Asgarov - Chief Engineer, Sumgayit Station
3. Mammad Asadov – Foreman, Sumgayit Sukanal Department, Azersu OJSC
4. Garibaga Ahlimanov – Engineer, Housing Operation Depart No.
5. Javid Nadirov – Engineer, Sumgayit Gas Department
6. Aydin Turabov – Engineer, Local Power Network
7. Jamil Abdulov – Resident
8. Mehman Isgandarov – Resident
9. Shahkaram Isgandarov – Resident
10. Rovshan Javadov – Resident
11. Fazil Amirov – Resident
12. Ramig Eyvazov – Resident
13. Gulbala Muradov – Resident
14. Shahin Isayev – National Environmental Consultant, ADB
15. Elshan Rustamov – National Resettlement Consultant, ADB
16. Nadir Osmanov – Resident
17. Ceyhun Aslanov – Representative of ADY HQ
18. Intigam Aliyev – Economist, ADY HQ
19. Ilham Guliyev – Chief of Station, ADY
20. Muslum Gurbanov – Expert, ARPA Consulting
21. Teymur Sultanov – Expert, ARPA Consulting



*Photos from the public consultation meeting*



**Annex 4: Photos of the areas in the railway line section between Gusarchay and Khudat stations**



