

# Bilasuvar 445MWac Solar PV Project Azerbaijan

## Draft Social Compliance Audit Report



October 2024

## DOCUMENT INFORMATION

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## LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
<b>ADB</b>	Asian Development Bank
<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>CAP</b>	Corrective Action Plan
<b>EBRD</b>	European Bank for Reconstruction & Development
<b>ESIA</b>	Environmental & Social Impact Assessment
<b>ESF</b>	Environmental & Social Framework
<b>ESS</b>	Environmental & Social Standards
<b>GRM</b>	Grievance Redress Mechanism
<b>LLA</b>	Land Lease Agreement
<b>MENR</b>	Ministry of Ecology and Natural Resources
<b>MoE</b>	Ministry of Energy
<b>OHTL</b>	Overhead Transmission Line
<b>PAPs</b>	Project Affected Persons
<b>PR</b>	Performance Requirement
<b>PV</b>	Photovoltaic
<b>RAP</b>	Resettlement Action Plan
<b>SCA</b>	Social Compliance Audit
<b>SCAR</b>	Social Compliance Audit Report
<b>SEP</b>	Stakeholder Engagement Plan
<b>WGB</b>	World Bank Group
<b>5 Capitals</b>	5 Capitals Environmental & Management Consultancy

# 1 INTRODUCTION

This Social Compliance Audit Report (SCA Report) has been prepared to assess the past and on-going land acquisition and resettlement impacts for the proposed Bilasuvar 445MWac solar PV project in Azerbaijan. It also includes proposed measures to mitigate and/or manage the impacts as part of a Corrective Action Plan on the project affected persons (PAPs) and their households in accordance with the Azerbaijan national requirements and those of the Asian Development Bank (ADB) - ADBs Safeguard Policy Statement (2009) and its Safeguard Requirement 2 on Involuntary Resettlement and other relevant good industry practice guidelines and related documents, and the relevant ILO Core Labor Standards Conventions.

It is noted that the preparation of this SCA Report has been undertaken in parallel to the update of the initial draft Resettlement Action Plan, based on the comments received from the lenders and the findings herein.

This SCA Report has been prepared by 5 Capitals Environmental and Management Consulting (5 Capitals), an environmental and social consultancy based in UAE, to meet the requirements set by ADB with the SCA terms of reference issued on August 13, following the initial ESDD site visit undertaken 6<sup>th</sup> to 9<sup>th</sup> August 2024.

## 1.1 Project Overview

Masdar signed implementation agreements with Azerbaijan's Ministry of Energy in June 2022 to develop a renewable energy program on a bilateral basis, with a total capacity of 10 gigawatts (GW) across multiple technologies.

Subsequently, Masdar signed joint development agreements with the State Oil Company of the Republic of Azerbaijan (SOCAR) for onshore wind and solar projects, and integrated offshore wind and green hydrogen projects, with a total combined capacity of 4 GW.

The Ministry of Energy of the Republic of Azerbaijan and Masdar signed an Implementation Agreement relating to the assessment, development, and implementation of a 4 GW<sub>ac</sub> pipeline of solar photovoltaic (PV) and onshore wind projects in the Republic of Azerbaijan starting with 2 GW<sub>ac</sub> as the first phase.

The Bilasuvar Solar PV Plant (the Project) is one of three projects making up the first phase and is the focus of this report. On 26<sup>th</sup> October 2023, Masdar and the Ministry of Energy entered into an investment agreement for the Project. The Project will assist in achieving Azerbaijan's 2025 vision and beyond for the inclusion of renewable energy electricity within its generation mix, with Azerbaijan hosting the United Nations Climate Change Conference / Conference of the Parties (COP29) in November 2024.

**Table 1-1 Key Project Information**

<b>PROJECT TITLE</b>	Bilasuvar 445MW <sub>ac</sub> Solar PV Project
<b>PROJECT DEVELOPER</b>	Masdar and SOCAR Green LLC
<b>EPC CONTRACTOR</b>	North West Electric Power Design Institute (NWEPTDI) part of China Energy Group
<b>O&amp;M COMPANY</b>	Masdar Specialised Technical Services (MSTS)
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## 1.2 Scope & Objectives of the SCA

This document applies to the Bilasuvar 445MW<sub>ac</sub> Solar PV Project (the Project) in Bilasuvar district Shirvan-Salyan region, Azerbaijan, approximately 140 km south of Baku. It covers the area affected and acquired/to be acquired for the Projects for permanent and temporary use, including associated (except OHTLs), ancillary and support facilities such as village roads, access roads, and laydown area.

The objectives of this SCA Report include:

- Assessment of the undertaken and on-going land acquisition and resettlement process of the project against the ADB Safeguard Requirements.
- Determination whether the activities and actions undertaken as part of this land acquisition are in line with the national and ADB's Safeguard Requirements.
  - This includes identification of legacy issues.
- Assessment of the adequacy and effectiveness of the consultations undertaken and the grievance redress mechanism in relation to undertaken and on-going land acquisition and resettlement.
  - Identification of any landownership issues, cases, complaints filed in relation to the project area.
- Assessment of the extent to which the Project's compensation and support aligns with the full replacement cost compensation principle.
- Development of a Corrective Action Plan (CAP) that will address any issues and gaps identified during this audit by specifying time bound actions to ensure

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compliance with Azeri and ADB requirements and which will be used to update the Resettlement Action Plan (RAP).



## 2 METHODOLOGY OF THE AUDIT

This chapter provides an overview of the methodology used to obtain the relevant information for the development of this SCA Report. It is noted that the audit has been developed through a document review of relevant project documents and information provided by the Government, Masdar, and other stakeholders such as the Bilasuvar Executive Power and the Project Affected Persons (PAPs).

### 2.1 Document Review

A review of existing project documentation has been undertaken to gain an understanding of the current situation in relation to the land acquisition and resettlement including legacy issues. The documents reviewed include:

- Draft ESIA report;
- Draft Stakeholder Engagement Plan (SEP);
- Initial Draft Resettlement Action Plan (RAP);
- OHTL scoping report and list of PAPs; and
- Various documents provided by the Government & Masdar that reflect the activities undertaken within the project site, lease agreement status etc.

### 2.2 Site Visits

Site visits have been undertaken for the draft ESIA and initial draft RAP to collect information that was subsequently used to prepare these reports. Additionally, site visits as part of this audit were undertaken between 21<sup>st</sup> and 23<sup>rd</sup> August 2024, as well as between 28<sup>th</sup> and 31<sup>st</sup> August 2024. This included the engagement of different stakeholders including:

- Bilasuvar Executive Power;
- Herders and workers (PAPs); and
- Household members of the PAPs families including their spouses.

### 2.3 Compliance Review

5 Capitals has analysed the key gaps between the Project's land acquisition process and ADB's requirements based on the outcome of the documentation review and the site visits. This has also informed the recommendations within the CAP (see table 8-1) to ensure compliance with ADB's requirements.

## 2.4 Limitations

The limitations to this audit include:

- Some of the PAPs (informal land users) lack the proper documentation records to validate their claims such as efforts to renew lease agreements, proof of ownership of assets etc.
  - As a result, this presents challenges in the verification of certain elements relating to land leases, ownership of assets and transfers, etc.
- There were no records of previous engagements, meetings undertaken between the Executive Power and the land users. As such, this study relied on verbal accounts of the PAPs and that of the Executive Power.

## 3 PROJECT SUMMARY

This section provides a brief overview of the Project and details relating to the land required for its development. Additional details relating to the Project and its components are provided in the standalone project specific draft ESIA, SEP and initial draft RAP documents.

### 3.1 Project Location

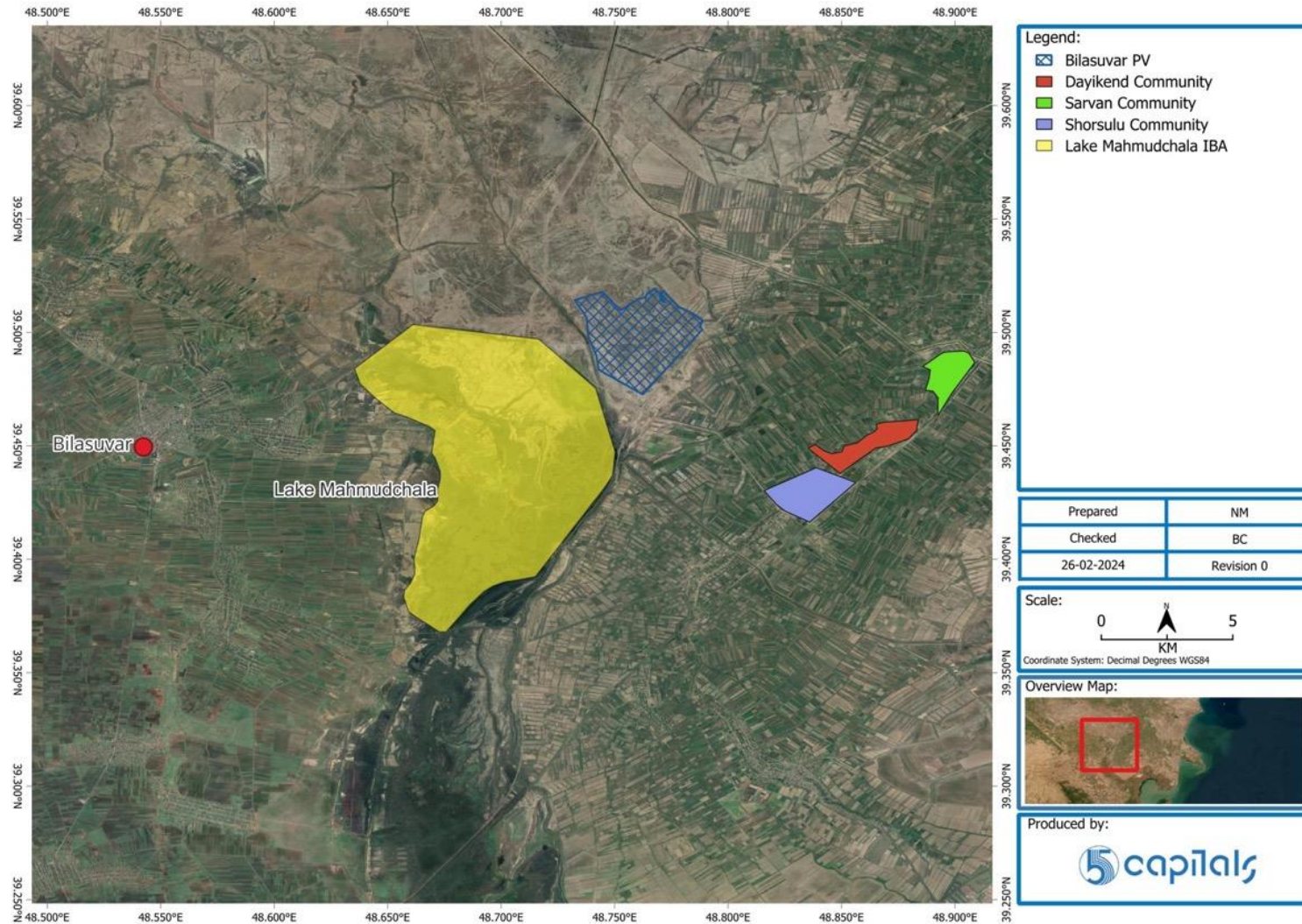
The Project is located in Bilasuvar district of Shirvan-Salyan region, Azerbaijan, approximately 140 km south of Baku.

The administrative centre of Bilasuvar and the main residential areas of the district are located 11 km from the Project area, while the nearest residential areas: Shorsulu, Dayikend and Sarvan communities are located to the north-east of the Project site at a distance of approximately 7 km.

Figures 3-1 and 3-2 below depict the national and regional location of the Project.

**Note:** *The OHTL connecting the Project to the power transmission grid will be approximately 90km and is subject to a separate ESIA and land acquisition process (ref. chapter 4 below).*

Figure 3-1 Local Project Context





## 3.2 Land Ownership and Use

### 3.2.1 Land ownership and allocation to the project

In 2023, the Executive Power Committee of Bilasuvar District issued a Land Allotment Order (LAO) which served as a foundational directive for delivering some 1,454 ha of state land reserves under the Committee's ownership to the Ministry of Energy, for the implementation of the Project. The LAO was furthered and mandated by the Resolution No. 212, which was enacted by the Cabinet of Ministers on 16 April 2024. The re-designation of land targeted for the Project entailed the reallocation of land from 'state agricultural land funds' to 'state industrial land funds'.

The total extent of land-take and conversion is itemized in the summary table below. There will be permanent land take for the 1,454ha located within the project boundaries including the 0.36ha required for the access road. All the construction phase activities and O&M facilities will be located within the boundaries of the project.

**Table 3-1 Preliminary land-take estimates for the project facilities**

SN	PROJECT SITE	OVERALL AREA (HA)
1	PV power plant (including all construction-phase and O&M facilities)	1,454
2	Access road	0.36

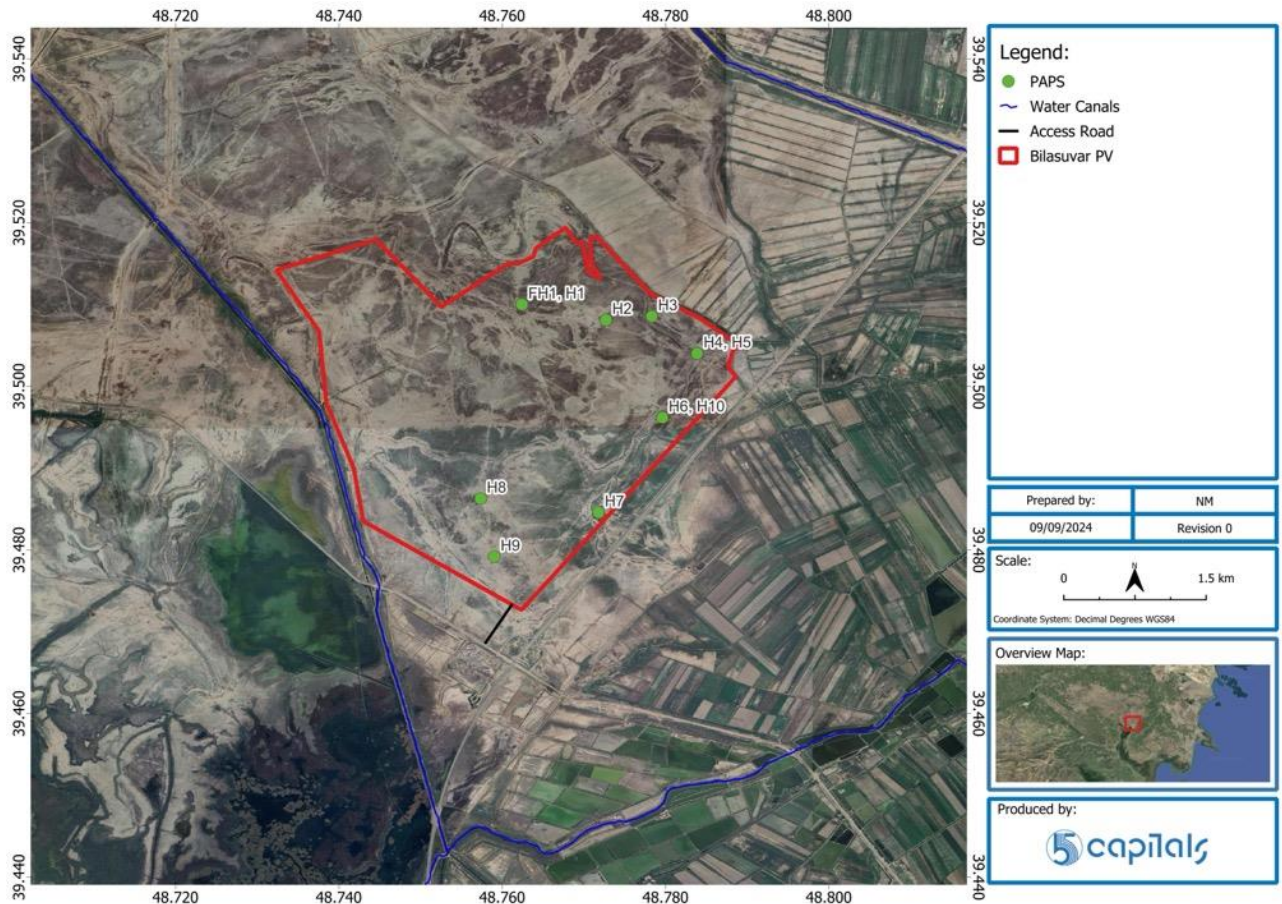
**Note:** Masdar have updated the project layout as shown in figure 3-2 leaving the east-side of the project undeveloped. It is estimated that approximately 250ha out of the 1,454ha of land allocated to the project will not be impacted. Masdar has initiated discussions with the MoE and Executive Power so that this undeveloped piece of land can be allocated to some of the herders (especially H5) for grazing purposes. Refer to section 6.6.5.1 for more details.

### 3.2.2 Site condition and land use

The land allocated for the proposed Project is a homogenous semi-desert area with low-level shrub vegetation used for winter grazing purposes. Consultations undertaken with the Project Affected Persons (PAPs) as part of this Audit in August and September 2024 revealed that the herders (and their workers) use the land for winter grazing purposes from the onset of winter in October to the start of spring in April. It is noted that the maximum amount of time spent in the winter grazing area is six months because the herders (apart from H5) move their livestock to the summer grazing areas in places such as Lerik.

Additionally, there are 8 informal structures within the project boundaries, out of these, 1 is used for permanent residency(H5), 1 has remained unused since 2019 (H1) and the other 6 are temporary residences used during the winter grazing period.

Figure 3-3 Location of PAP structures within the site



The existing data from the draft RAP and review of the project documentations has established the following categories of PAPs:

- 10 herders and 2 workers
  - These PAPs are also heads of their households and they are all male.
- Members of the affected herders and workers households which includes women, children, the young, elderly etc. These have been identified as 62 PAPs.
  - Out of the 62, 11 directly support in undertaking herding activities at the project site.

Based on the above, the total number of PAPs in the project is 74. Out of these, 30 are female and 44 are male.

### 3.3 Project Technology

An overview of the project technology is provided in the table below and further details can be found in the project specific ESIA.

**Table 3-2 Project Details**

PARAMETER	DETAILS
DC Capacity	Approximately 580 MWp
Module Type	N-type Bifacial Module
Inverter Type	String or Modular Inverter
Mounting Structure Type	Single Axis, E-W tracking. Tracking range -55° to +55° or better
Maximum AC Export Capacity at Point of Connection	445 MW
Ground Coverage Ratio	20% – 30%
Interconnection Voltage	330 kV
Grid Compliance	According to Azerbaijan Grid Code
Project Design Lifetime	30 years

#### PROJECT COMPONENTS

The Project will have following main components:

- PV Modules
- Inverters
- Mounting Structures
- LV/MV Transformers
- PV Plant substation including Power Transformer and Switchgears
- Civil Infrastructure (Roads, Fences, drainage as required, etc.)
- Other balance of plant such as cables, protection, SCADA system etc.

#### 3.3.1 Construction Phase Land Requirements

At this point it is understood that the temporary construction area will be within the project boundaries and therefore within the land already allocated to the project. As such, no additional land will be required during the construction phase of the project.

The project road which will be established to enable access to the PV plant site extends between the southern boundary of the PV plant site and the E119 highway, measuring a total area of 0.36 ha. This is found on an existing track used to access the site that will need to be upgraded.



Consultations undertaken as part of the ESIA/RAP and this audit indicated that land in and around the access road is part of the state land reserve encompassing the PV plant site, and the same pre-existing land-use zone. No potentially impacted land users with unresolved claims to the land from any past instances of land expropriation were identified within this portion of the project area.

### 3.3.1.1 Accommodation facilities

It is understood that workers' accommodation may consist of either temporary on-site facilities or rented off-site accommodations. If the accommodation facility is constructed outside of the project boundaries, the Project Company will engage an E&S Consultant to assess any land-related impacts, in line with the principles to be outlined in the draft RAP. The results of this assessment will be submitted to and approved by ADB and other lenders prior to the commencement of accommodation facility construction.

### 3.3.2 Operational Phase Land Requirements

The project's operational phase will not require any additional land beyond what has already been allocated within the project boundaries. Furthermore, no land use restrictions will arise during this phase, as all operational and maintenance activities will take place within the fenced project site.

### 3.3.3 Project Milestones

**Table 3-3 Project Milestones**

MILESTONE	SCHEDULED DATE
PPA Signature	3 <sup>rd</sup> June 2024
Target Financial Close	November 2024
Site handover	1 <sup>st</sup> November 2024
Mobilisation & Early Works	Q1 2025
Main Construction Works Commencement	Q2 2025
Commercial Operation Date	January 2027

## 4 OVERHEAD TRANSMISSION LINE

The connection to the grid will be via a 90 km 330 kV double circuit line to the Navahi substation (Figure 4-1). The line heads north and passes to the northwest of the Shirvan National Park.

Enhancement of the grid network, including the construction and operation of the transmission lines, construction and enhancement of substations, investments in SCADA upgrades, control systems, and battery energy storage, are being jointly financed by the World Bank and by the Government of Azerbaijan, with the entities funding different assets.

The World Bank refer to the Project as Azerbaijan Scaling-Up Renewable Energy Project (AZURE) and the Concept Environmental and Social Review Summary<sup>1</sup> was published on the 26<sup>th</sup> of March 2024. The plan is for the transmission lines for Bilasuvar Solar PV (and Banka Solar PV) to be operational by April 2026.

### 4.1 Compliance Requirements

Although the Government of Azerbaijan is developing and financing the transmission line which connects the Bilasuvar project to the Navahi substation, the Environmental and Social Commitment Plan and associated mitigation measures and monitoring will be agreed with the World Bank and will be required to follow World Bank's Environmental and Social Standards. The World Bank are therefore still overseeing any gaps in the building and design of transmission line and ensuring alignment with their requirements including those related to land acquisition.

Both Azerenerji and the World Bank have engaged environmental and social consultants to undertake ESIA's for their respective parts of the grid enhancement. The ESIA for the 330kV OHTL, which will connect the project to the Navahi substation, is being prepared on behalf of Azerenerji by the Azerbaijan Scientific-Research and Design-Prospecting Energy Institute. The scoping report for this ESIA has been prepared and is dated August 2024.

A meeting was conducted with the Ministry of Energy (MoE), the consultants preparing the ESIA on behalf of Azerenerji, the potential lenders for the Bilasuvar Project, and the lenders' environmental and social advisor, on the 9<sup>th</sup> August 2024. In this meeting, the consultants preparing the ESIA on behalf of Azerenerji outlined the status of the ESIA, what studies had been included as part of this ESIA, and the next steps. The process preparing and submitting the ESIA to the MENR for approval is currently ongoing.

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[https://documents1.worldbank.org/curated/en/099051524112523470/pdf/P505208113e2ec0201b79a13de9603dd3bf.pdf?\\_gl=1\\*11e0qxe\\*\\_gcl\\_au\\*MTQ1NzU2NDcyLjE3MTgyNjQwNDY](https://documents1.worldbank.org/curated/en/099051524112523470/pdf/P505208113e2ec0201b79a13de9603dd3bf.pdf?_gl=1*11e0qxe*_gcl_au*MTQ1NzU2NDcyLjE3MTgyNjQwNDY).

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## LAND ACQUISITION

In relation to the land acquisition, Azerenerji has prepared and disclosed a Resettlement Policy Framework<sup>2</sup> (RPF) for the AZURE project, consistent with the requirements of the World Bank's Environmental and Social Framework (ESF). It's stated that the fundamental purpose of the RPF is to establish the terms of agreement between relevant authorities in the Republic of Azerbaijan and the World Bank regarding principles and procedures to be used in subsequent preparation of a Resettlement Action Plan (RAP).

In addition, it is stated that the World Bank's approval of the RAP will be required before the project authorities can invite bids for any contracts in which works are expected to involve physical or economic displacement as a result of land acquisition or restrictions on access or use of natural resources.

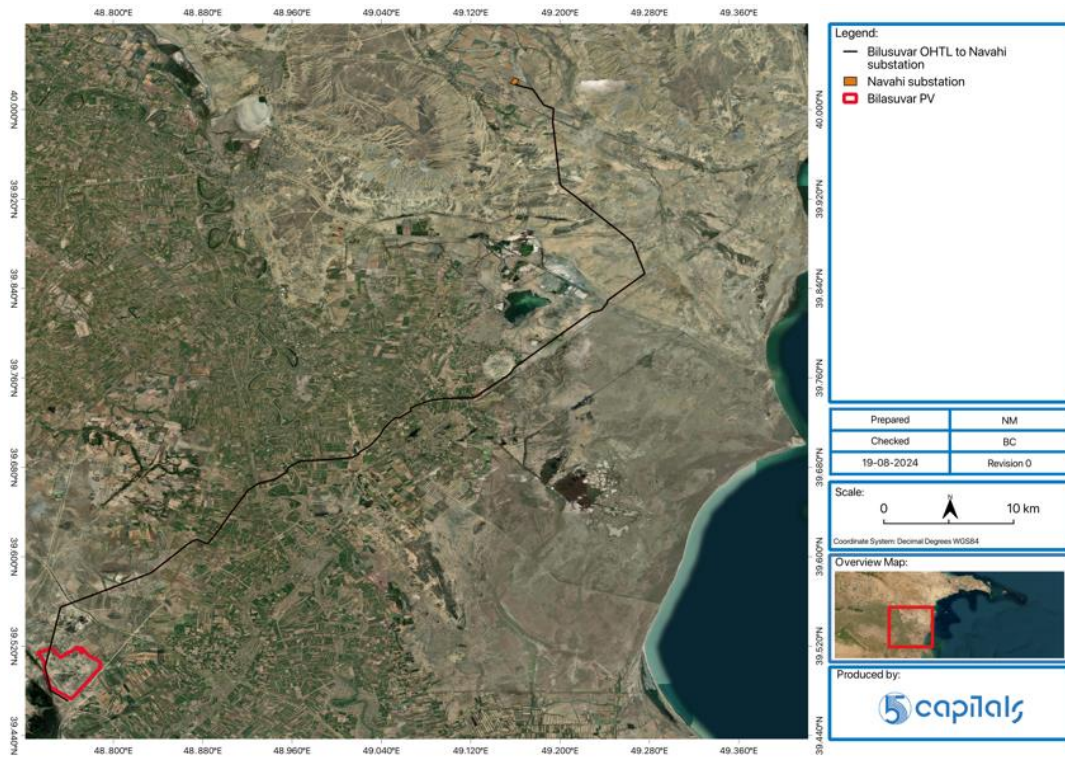
### 4.1.1 Details of the transmission line

The line will be a 90km 330kV double circuit line to the Navahi sub-station as shown in the figure below.

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<sup>2</sup><https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099080524100521639/p5052081847dfa04d18e6c107aa851a0dcc>

Figure 4-1 Transmission Line Connecting the Project to Navahi Substation



## 4.2 Land Use

One of the key risks associated with the development of the line includes:

- Land acquisition, where the transmission line route will require land which is currently being utilised.
  - The Scoping Report states that 'all land acquisition, either permanent or temporary will be undertaken in compliance with the relevant Azerbaijan legislation and international requirements (World Bank Environmental and Social Standards 5)'.

Based on the recognition of the above risk, the identification of the land ownership and use along the OHTL has been undertaken and is provided in the table below.

Table 4-1 Land ownership and use along the OHTL

No	REGION	VILLAGES	NUMBER OWNERS/TENANTS	TITLE TYPE	PROPERTY TYPE	DESIGNATION
1	Salyan	Xurşud village	3	Property	Private	cropland
		Aşağı Noxudlu	6	Property	Private	cropland
		Yuxarı Noxudlu	9	Property	Private	cropland

No	REGION	VILLAGES	NUMBER OWNERS/TENANTS	TITLE TYPE	PROPERTY TYPE	DESIGNATION
		Çuxanlı village	7 individuals	Property	Private	cropland
			3 legal persons	Property	Private	cropland
		Abadkand	7	Property	Private	cropland
		Xalac	9	Property	Private	cropland
		Yenikand	7	Property	Private	cropland
		Şakarlı	7	Property	Private	cropland
		Xalac baladiyyasi	1	İstifada	Baladiyya	pastural
		Salmanlı village	3	Property	private	cropland
2	Hacıqabul	Qızılburun	7	Property	Private	cropland
		Navahi	3	Property	Private	cropland
<b>Total number of owners</b>			<b>72</b>	N/A	N/A	N/A
<b>Data on leased land plots</b>						
3	Bilasuvar	Bilasuvar region	4 tenants (legal person)	Lease	State	cropland/pastural
4	Salyan	Salyan region	5 tenants (hüquqi va individuallar)	Lease	State	cropland/pastural
5	Hacıqabul	Rayon Executive Power	3 tenants	Lease	State Land Fund	cropland
<b>Total number of tenants</b>			<b>12</b>	N/A	N/A	N/A

### 4.3 Conclusion

Based on the above information the development of the OHTL will require compliance with the World Banks ESS (specifically ESS5). This will be required even for the sections of the OHTL that will not receive financing from the WBG. As such, the audit of the OHTL has been excluded from this SCA Report.

## 5 REGULATORY REVIEW

This chapter provides an overview of the relevant land acquisition and resettlement regulations applicable to the project. In addition, a gap analysis has been undertaken between the national and ADB requirements including details of the actions the project will implement to close these gaps.

### 5.1 National Regulation

The relevant land acquisition and resettlement in Azerbaijan are summarised in the table below.

**Table 5-1 Key national regulation relating to land acquisition & resettlement**

NATIONAL REGULATION	SUMMARY
The Constitution of the Azerbaijan Republic (1995 and as per the amendments in 2002, 2009 and 2016)	It recognises the right of citizens to own, use, and dispose of property. Article 13 recognises three types of property ownership: State, Municipality and Private.
Land Code (as adopted on June 25 <sup>th</sup> 1999 and as amended in February 24 <sup>th</sup> 2023)	<p><b>Article 16</b> is in reference to use of pastures, grazing fields and meadows and it states that municipalities can allocate their pastures for livestock breeding to municipal enterprises by decision and lease them to other legal entities and private individuals.</p> <p><b>Article 58</b> states that unless otherwise stipulated in the legislation or the lease agreement, any temporary structures erected by the user must be demolished at their own expense after the lease period ends.</p> <p><b>Article 73</b>, Clause 1: The rights of ownership, use, or lease of land may be terminated in the following cases:</p> <ul style="list-style-type: none"> <li>• Voluntary relinquishment or expropriation of the land.</li> <li>• Expiration of the use or lease period.</li> <li>• Termination of a legal entity's operations.</li> <li>• Non-compliance with the land's intended purpose.</li> <li>• Termination of individual employment contracts related to temporarily used land.</li> <li>• Breach of use or lease agreement terms.</li> <li>• Non-payment of land tax and rent for one year without valid reason.</li> <li>• Unused agricultural land for two consecutive years or non-agricultural land for one year without a valid reason.</li> <li>• Deterioration of soil quality, contamination, or environmental harm during use.</li> <li>• Necessity for state acquisition of the land.</li> <li>• Transfer of ownership of buildings or facilities on the land.</li> <li>• Death of the landowner or user (lessee) without heirs.</li> <li>• Non-fulfilment of mortgage obligations.</li> </ul> <p><b>Article 86:</b> Specific regulations regarding land transactions:</p>

NATIONAL REGULATION	SUMMARY
	<ul style="list-style-type: none"> <li>• Clause 2: State lands, municipal agricultural lands for general use, and lands leased to legal entities and individuals cannot be bought or sold.</li> <li>• Clause 3: Lands can be sold to state, municipal, and private ownership within the Azerbaijan Republic.</li> <li>• Clause 5: Ownership, use, and lease rights can be traded through land auctions or competitions, with the owner's or their representative's consent.</li> <li>• Clause 6: Municipal land transactions must align with development plans and are conducted via land auctions and competitions.</li> <li>• Clause 7: Direct sale of privately owned lands or lease rights requires notarized purchase agreements between the parties.</li> <li>• Clause 8: The purchase and sale of land are regulated by relevant Azerbaijani legislation.</li> </ul> <p><b>Article 101</b> states that compensation for any damages caused by the acquisition of land, the temporary use of land, limits on the rights of owners, users &amp; lessees, or any other deterioration in the quality of the soil, should be fully paid to the landowners, users and lessees of land in full. Costs incurred by owners in connection with an early termination of obligations taken before third parties shall also be compensated.</p> <p>The article also includes provisions for settling of land disputes. Additionally, it also covers the illegal use of land and stipulates that any damage caused by illegal occupation must be paid by the land user (Article 110 and 111).</p>
<p>Civil Code (adopted on December 28, 1999, and amended in July 12, 2023)</p>	<p><b>Articles 246, 247, 248 and 249</b> includes the provisions for the acquisition of land for state needs, which is applicable for the proposed project.</p> <p>The code states that the relevant executive authority shall:</p> <ol style="list-style-type: none"> <li>a) Give a written notice to the affected persons about the planned acquisition.</li> <li>b) Pay the compensation to the affected persons within 90 days after the land transaction agreement is made.</li> <li>c) Assist the affected people in the vacation of the land and move to a new place of residence in accordance with the law.</li> <li>d) Pay compensation for the affected assets.</li> </ol> <p><b>Article 246</b> states that the compensation will be calculated using the market value and where this cannot be identified, replacement cost will be used instead.</p> <p><b>Article 247</b> also provides the forms of compensation to be provided for land which include land plot or living structure comparable to the forfeited land in quality, size, production, capacity etc, lump-sum cash payment, continuous provision of food, providing training etc.</p>
<p>Land Acquisition Law for State Needs of April 20<sup>th</sup> 2010 as amended in February 17<sup>th</sup> 2023</p>	<p>Addresses matters related to involuntary resettlement, including the process and institutional arrangement for land acquisition, compensation and valuation,</p>

NATIONAL REGULATION	SUMMARY
	<p>consultation requirements, entitlements of various categories of displaced persons etc.</p> <p><b>Article 7</b> provides the details of the persons who are considered as being affected by land acquisition. These include:</p> <ul style="list-style-type: none"> <li>a) Individual with state-registered ownership, use or lease rights to land, or lease rights confirmed by written documents.</li> <li>b) Individual with legally recognised but unregistered ownership, use, or lease rights, provided these are documented at the time of registration.</li> <li>c) Sub-lessees, third-party users or short-term land users provided their rights are supported by oral or written agreements.</li> <li>d) Individuals who have long-term land use recognized by law, giving rise to land rights.</li> <li>e) Individuals living on land without legal rights.</li> </ul> <p>All persons listed above, except those without legal rights to the land are entitled to compensation and assistance related to their lost land under this law. Those without legal rights are entitled only to relocation assistance, with exception of immovable property and assistance aimed at compensating the damage caused to the movable property of these persons during relocation.</p> <p>Article 58 requires for compensation prices to be based on the applicable market prices.</p> <p>Article 59 refers to the replacement price which includes expenses to construct a building or area of land in the same area, and the same size and production potential, and includes the applicable land registration fee.</p> <p>The rates are to be determined by an Independent Appraiser hired by the Valuation Commission established by a decree of the Cabinet Ministers.</p>
<p>Decision of the Cabinet of Ministers on approving the "Regulation on preparation of resettlement plan and resettlement instructions" (February 24, 2012)</p>	<p>This regulation stipulates the guidelines for preparation of a resettlement plan, as well as an example content of the plan and it provides general guidelines. A Resettlement Plan is only required when the total of displaced persons reaches 200, or more.</p> <p>This law is implemented to ensure compliance with the Presidential Decree of the Azerbaijan Republic of May 24, 2010, No. 263 "about withdrawal of lands for the state needs"</p>
<p>Law "On Land Lease" (December 11, 1998, as amended on February 24, 2023)</p>	<p>Governs the leasing of land within the country. It establishes the legal framework, rights, and obligations related to land leases, including procedures for obtaining leases, terms of lease agreements, and conditions for land use. The law aims to regulate and promote the effective utilization of land resources, ensuring sustainable development and economic efficiency in land management practices across Azerbaijan.</p> <p>Article 16 of this law states that when an area of leased land is acquired for state needs, a plot having the same size, and a same quality must be provided to the lessee. Any losses incurred during the process of changing areas will be paid in accordance with the Land Code.</p>



NATIONAL REGULATION	SUMMARY
	Article 31 states that settlement of disputes related to land lease, use, contract change, extension, premature cancellation and termination are resolved in court in accordance with the legislation of the Republic of Azerbaijan.
Law on Land Market (adopted on May 7, 1999, last amended on February 17, 2023)	This law establishes the general rules for land market relations in the Azerbaijan Republic and ensures the protection of property rights to land.

The Land Acquisition Law for State Needs of April 20<sup>th</sup>, 2010 as amended in February 17<sup>th</sup> 2023 addresses various aspects of land use and ownership, including informal land use. However, it is noted that this law primarily focuses on legally recognised landowners and users who are entitled to compensation. Article 7 states that persons who do not have legal rights to land they live on shall only be provided with assistance related to their relocation, with the exception of immovable property and assistance aimed at compensating the damage caused to the movable property of these persons during relocation. This means that provisions for informal land users are very limited. Additionally, Article 58 of the Land Code states any temporary structures erected by the user must be demolished at their own expense after the lease period ends. In addition, Article 73 provides the basis under which the rights to ownership may be terminated one of which is breach of use of lease agreement terms.

The project will impact informal land users who have structures within the site. These users had their lease agreements terminated between 2016 and 2019 due to violation of their lease terms (see section 6.3.2 for details). Since their agreements were terminated, they are not eligible for government assistance, including relocation support, as outlined in Article 7 of the Land Acquisition Law for State Needs. As such, the project will be required to close this gap in order to meet the lenders requirements.

## 5.2 ADB Requirements

### 5.2.1 ADB Safeguards Policy Statement, 2009

ADB Safeguard Policy Statement (SPS) of 2009 sets out the policy, objectives, scope, triggers and principles for the following three key Safeguards Requirements:

- Environmental Safeguards: requires screening and assessment of projects according to type, location, scale, and sensitivity and the magnitude of their potential environmental impacts, including direct, indirect, induced, and cumulative impacts.
- Involuntary Resettlement Safeguards: include screening and assessment of projects impacts of land acquisition and involuntary resettlement and proposes measures to address the impact identified.
- Indigenous Peoples Safeguards: screen and assess projects on impacts on Indigenous Peoples according to magnitude of impact in terms of customary

rights of use and access to land and natural resource, socio-economic status, cultural and communal integrity, health, education, livelihood, social security status, the recognition of indigenous knowledge, and the level of vulnerability of the affected Indigenous Peoples community.

- This Safeguard is not applicable to the proposed project based on the assessment undertaken under section 6.4 of this report.

For each of the Safeguards Requirements, ADB uses a classification system to reflect the significance of a project's potential impacts. Based on this, projects are classified into four categories A, B, C or FI considering the significance of their impacts on the Environment, Involuntary Resettlement or Indigenous Peoples and with respect to Financial Intermediaries.

### **5.2.1.1 Involuntary resettlement safeguard**

ADB's Involuntary Resettlement Safeguard Requirements aims to avoid involuntary resettlement wherever possible; to minimise resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

SR2 also applies to full or partial, permanent or temporary physical and economic displacement resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

ADB also requires that the client disseminates information to the affected persons and consult with them in a manner that commensurate with the anticipated project impacts on the PAPs. The client is required to inform and consult with the affected persons on resettlement and compensation options and to provide them with project-related information during resettlement planning and implementation. The information should be disclosed in a timely manner, in an accessible place, and in a form and language that the affected persons can understand.

According to ADB, a project's involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. It is considered that the proposed Project falls under Category B because less than 200 persons will experience significant impacts.

ADB requires Category B projects to have a resettlement/livelihood restoration plan and assess social impacts.

### **5.2.2 ADB's Social Protection Strategy, 2001**

This is a set of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks and enhancing their

capacity to protect themselves against hazards and interruptions/loss of income. Social Protection consists of five major elements that include:

- Labour markets policies and programmes designed to facilitate and promote efficient operation of labour markets.
- Social insurance programs to cushion the risks associated with the unemployment, health, disability, work injury, and old age.
- Social assistance and welfare service programmes for the most vulnerable groups with no other means of adequate support.
- Micro and area-based schemes to address vulnerability at the community level.
- Child protection to ensure the health and productive development of future workforce.

The Social Protection Strategy requires the Borrower to comply with applicable national labour laws in relation to the project, and take the following measures to comply with the core labour standards for the ADB financed portion of the project:

- Carry out its activities in a manner consistent with the intent of ensuring legally permissible equal opportunity, fair treatment and non-discrimination in relation to recruitment and hiring, compensation, working conditions, and terms of employment for workers (including prohibition of any form of discrimination against women during hiring and providing equal pay for men and women engaged by the Borrower).
- Not restrict workers from developing legally permissible means of expressing their grievances and protecting their rights regarding conditions and terms of employment.
- Engage contractors and their providers of goods and services.
  - Who do not employ child labour and forced labour.
  - Who have appropriate management systems that will allow them to operate in a manner which is consistent with the intent of (a) ensuring legally permissible equal opportunity and fair treatment and non-discrimination for their workers, and (b) not restricting their workers from developing legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment.
  - Whose subcontracts contain provisions which are consistent with paragraphs (a) and (b) above.

### 5.2.3 ADB's Gender and Development Policy, 1998

ADB's policy on gender and development (GAD), approved in 1998, adopts gender mainstreaming as a key strategy for promoting gender equity. This requires gender concerns to be treated as a cross-cutting theme influencing all social and economic processes.

The GAD policy provides a policy framework; introduces institutional mechanisms to address gender concerns in ADB's programme of activities; and supports a greater emphasis on

gender issues in all ADB operations. Specifically relevant to the projects are the following elements:

- Gender sensitivity: on how operations affect women and men, and to consider women's needs and perspectives in planning its operations.
- Gender analysis: to assess systematically the impact of a project on men and women, and on the economic and social relationship between them.
- Gender planning: to formulate specific strategies that aim to bring about equal opportunities for men and women.
- Mainstreaming: to consider gender issues in all aspects of project operations, accompanied by efforts to encourage women's participation in the decision-making process in development activities.

#### 5.2.4 ADB Access to Information Policy, 2018

The objective of the Access to Information Policy is to promote stakeholder trust in ADB and to increase the development impact of ADB activities. The policy reflects ADB's commitment to transparency, accountability, and participation by stakeholders in ADB-supported development activities in Asia and the Pacific. It also recognises the right of people to seek, receive, and impart information about ADB's operations.

### 5.3 Additional Relevant Standards & Guidelines

The Proposed project is also expected to receive financing from other international lenders which include the European Bank for Reconstruction and Development (EBRD), Asian Infrastructure Investment Bank (AIIB). As such, compliance is required in relation to:

- EBRD PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement.
  - Including the EBRD PR5 Guidance Note.
- AIIB ESS 2 on Land Acquisition and Involuntary Resettlement

Other relevant international good practices are as briefly discussed below.

## INTERNATIONAL LABOUR STANDARDS (ILO) CONVENTIONS

The International Labour Organisation (ILO) Governing Body fundamental conventions are as included in the table below.

**Table 5-2 ILO conventions and ratification status by Azerbaijan**

INSTRUMENT	DATE
Convention No 29 on Forced Labour adopted in 1930	19 <sup>th</sup> May 1992
Convention No 87 on Freedom of Association and Protection of the Right to Organise, adopted on 17 <sup>th</sup> of June 1948	19 <sup>th</sup> May 1992
Convention No 98 on the Right to Organise and Collective Bargaining adopted on 8 <sup>th</sup> of June 1949	19 <sup>th</sup> May 1992
Convention No 100 on Equal Remuneration adopted 6 <sup>th</sup> of June 1951	19 <sup>th</sup> May 1992
Abolition of Forced Labour Convention No.105, 1957	9 <sup>th</sup> August 2000
Convention 111 on Discrimination (Employment and Occupation) adopted 4 <sup>th</sup> of June 1958	19 <sup>th</sup> May 1992
Convention 138 on Minimum Age adopted 6 <sup>th</sup> of June 1973	19 <sup>th</sup> May 1992
Convention 182 on the Worst Forms of Child Labour adopted 17 <sup>th</sup> June 1999	30 <sup>th</sup> March 2004
Convention 155 Occupational Safety and Health Convention, 1981 (No.155)	29 <sup>th</sup> May 2023
Convention C187 Promotional Framework for Occupational Safety & Health Convention, 2006 (No. 187)	Not ratified
Protocol of 2014 to the Forced Labour Convention, 1930	Not ratified

It is noted that other good international practice guidelines are also considered in this SCA Report.

**Table 5-3 Gap analysis between national regulation & ADB SPS Safeguards**

ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
<b>Avoid or minimise displacement</b>	<p>Any land required for state needs can be transferred to the state upon reaching an agreement with the owner.</p> <p>Avoidance and minimisation of displacement is not required by national law.</p>	<p>The Project will avoid involuntary resettlement whenever possible to minimise involuntary resettlement by exploring project design alternatives.</p>	<p>The project site was allocated for the Project development through an order of the Cabinet of Ministries in 2024 as such avoidance full avoidance is not possible. It is noted that Masdar have updated the layout of the project leaving approximately 250ha on the east side of the project undeveloped (refer to figure 3-2 above). Masdar has also initiated discussions with the MoE and Executive Power so that this undeveloped land can be used for grazing purposes.</p> <p>Preparation of the Project specific ESIA and initial draft RAP has also been undertaken to ensure that the impacts to the land users are minimised, mitigated through appropriate entitlements and meaningful consultation and monitoring requirements implemented throughout out design and implementation of the RAP.</p>
<b>Planning process</b>	<p>Decision of the Cabinet of Ministers on approving the "Regulation on preparation of resettlement plan and resettlement instructions" (February 24, 2012) stipulates the guidelines for preparation of a resettlement plan, as well as an example</p>	<p>The client will prepare a resettlement plan if the proposed project has involuntary resettlement impacts including collection of census data of the affected persons.</p>	<p>An initial draft RAP has been prepared for the proposed project to meet this requirement. It is being updated to the draft RAP to include feedback received from lenders and their advisers, project affected people and</p>

ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
	<p>content of the plan and it provides general guidelines. However, a Resettlement Plan is only required when the total of displaced persons reaches 200, or more. This means that the proposed project is not required to prepare the plan as there are less than 200 PAPs impacted.</p>		<p>other local stakeholders interviewed during this audit and during consultations conducted for RAP and ESIA preparation.</p>
<p><b>Compensation for formal agricultural land</b></p>	<p>The national requirements provide for compensation arising from involuntary resettlement and considers various categories of displaced persons including those without state registration, informal long-term users of land, and persons who have no legal rights on the land that they live in.</p> <p>Compensation is calculated based on the replacement cost reflecting market valuations of assets, rather the broader principle of 'full replacement cost' which includes for example transaction costs and whereby physical depreciation of assets is not taken into consideration.</p>	<p>All compensation of assets at full replacement cost and assistance should be provided prior to displacement including provision of additional support.</p> <p>Compensation for losses at full replacement cost and transitional support will be provided prior to handing over the site for civil works.</p>	<p>The method of valuation under the national legislation refers to the 'replacement cost' which does not consider all the requirements under the principle of 'full replacement cost'. It is noted that the land within the Project site is owned by the government and as such compensation for lost agricultural land does not require to be provided.</p>
<p><b>Compensation for non-land assets including informal structures (not registered)</b></p>	<p>Land users with legal agreements/leases are eligible for compensation in accordance with the Acquisition of Lands for State Needs. It requires for compensation to be provided for non-land assets, lost business and income, transition allowance, and transportation support.</p>	<p>Compensation for non-land assets shall be compensated at full replacement cost.</p>	<p>The compensation for non-land assets to formal and informal land users will be at full replacement cost (without taking depreciation into account) as defined by ADB and other lenders. This includes elements such as (i) fair market value; (ii) transaction costs; (iii) interest accrues, (iv) transitional and restoration</p>

ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
	The Land Acquisition Law for State Needs includes very limited rights for informal land users as described in section 5.1 above.		costs; (v) other applicable payments, if any (Appendix 1 para 10).
<b>Loss of jobs</b>	The Acquisition of Lands for State Needs legislation includes compensation for loss of business and income.	ADB requires for the client to compensate for loss of income and help restore the income earning capacity of those affected. This should also include providing equal opportunities for women and men in accordance with the Gender Development Policy.	The affected herders and workers will be provided with compensation based on the entitlements in the draft RAP.
<b>Displacement</b>	Article 29 of the Constitution states that nobody maybe deprived of his/her property without a court decision and that the outright confiscation of property is prohibited.	ADB requires project affected persons to be protected against forced evictions. This is to ensure that the rights of the non-titled land users are not violated.	<p>The Government issued a letter to all PAPs in the project area between 15<sup>th</sup> and 23<sup>rd</sup> August 2024 to vacate the site by 1<sup>st</sup> September 2024.</p> <p>As a result, Masdar engaged the Government to delay the displacement process in order to allow more time for PAPs to relocate.</p> <p>The Government rescinded this letter and issued a new letter to the PAPs on 30<sup>th</sup> August 2024 to allow sufficient time for the PAPs to relocate from the site and for the project to implement the draft RAP processes by 1<sup>st</sup> November 2024 .</p> <p>In the period between the government issuing a letter to inform the herders to vacate the land and rescinding of this letter one herder with the permanent residence on site moved from site. Another herder fully demolished his</p>



ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
			<p>structures, while a third has partially done so.</p> <p>An assessment of the situation is provided in section 6.6 of this SCA Report. Following the assessment, a Corrective Action Plan (CAP – see table 8-1) has been put in place to address the impact on herders due to the short notice (via a letter) issued to the PAPs. As part of the identified corrective actions, the initial draft RAP is being updated.</p>
<b>Vulnerable households</b>	There is no requirement for vulnerable groups in relation to livelihood restoration	<p>The client is required to 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, and those without legal title to land. In addition, the established grievance mechanism is required to pay particular attention to the impacts on vulnerable groups.</p> <p>The Social protection strategy requires for social assistance and welfare service programs for the most vulnerable groups with no other means of adequate support.</p>	The project will provide support to vulnerable groups based on their needs. The support measures and applicable budget will be included in the draft RAP.
<b>Gender considerations in the compensation process</b>	There are no requirements for the project developer to consider gender issues during the implementation of the land acquisition	Para 18 Appendix 2 of ADB safeguards states that the developer will pay adequate attention to gender concerns, including specific measures addressing the need of	There are 30 female PAPs in the affected households. In addition to this, 7 of the 30 females have been

ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
	process, payment of compensation, and resettlement etc.	<p>female headed households, gender-inclusive consultations, information disclosure, and grievance mechanism to 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.</p> <p>The Social Protection Strategy requires for special consideration of gender issues because women tend to receive less assistance than men do. This is because many programs are focused on households and do not consider intrahousehold differences. In the context of the proposed Project, it will be important to ensure that the proposed approaches do not disadvantage the women including those who are engaged in project related activities.</p> <p>The Gender and Development Policy requires ADB to facilitate gender analysis of proposed projects, including program and sector loans, and ensure that gender issues are considered at all appropriate stages of the project cycle, including identification, preparation, appraisal, implementation, and evaluation.</p>	<p>identified to be providing support to the herders in their grazing activities.</p> <p>The project has also engaged a female social expert to ensure that consultations and data collection from the women is culturally appropriate, outcomes of which will be included in the RAP. In addition, specific Livelihood Restoration (LR) packages will be developed in consultation with female and male PAPs to ensure gender balanced programmes are developed.</p>
<b>Stakeholder consultations</b>	Public meetings are required to be held to disclose information to land users and owners on the land acquisition process.	The project is required to undertake meaningful consultations with the identified stakeholders including the PAPs. Particular attention should also be paid to vulnerable	There were no explicit requirement for the consideration of vulnerable groups during the consultation process. To close this gap, the project will consult

ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
	However, there is no specific requirement for the consideration of vulnerable groups during the consultation process.	groups to ensure their participation in the consultation process. The ADB Access to Information Policy requires that project affected persons, and other stakeholders are provided with information in a meaningful way including in languages that they can understand. The Gender & Development Policy requires gender sensitivity, analysis, planning, mainstreaming, agenda setting as part of the project. Mainstreaming includes consideration of gender issues in all aspects accompanied by efforts to encourage women's participation in the decision-making process in development activities.	with the identified vulnerable groups in line with the ADB's requirements throughout the land acquisition, RAP implementation, construction and operation processes. A Stakeholder Engagement Plan (SEP) has been developed.
<b>Grievance redress mechanism (GRM)</b>	Disputes relating to land related compensation can be resolved in a court of law based on the procedures established in the Land Code. Articles 110 and 111 covers the illegal use of land and stipulates that any damage caused by illegal occupation must be paid by the land user.	ADB requires a grievance mechanism to be established for the resolution of concerns, complaints, request for information etc by the PAPs in relation to physical and economic displacement. Particular attention should be paid to vulnerable groups.	The national requirements do not require a project level GRM to be established. Also, a GRM has been established for the Project. It is noted that the Project level GRM is not a replacement of legal redress for the PAPs.
<b>Disclosure of information</b>	Public meetings are required to be held to disclose information to land users & owners on the land acquisition process. However, there is no explicit requirements that the RAP documentation or monitoring reports will be disclosed to the PAPs and other relevant stakeholders.	The Client will provide relevant resettlement information, including information on the resettlement framework, resettlement plan and monitoring reports 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, other suitable methods will be used.	The disclosure of the RAP documentation and monitoring reports is not required under the national requirements. The approved draft and final RAP and the subsequent monitoring reports will be disclosed by Masdar in line with ADB's and other lenders' requirements.

ELEMENT	AZERBAIJAN LEGISLATION	ADB'S SPS (2009) REQUIREMENTS ADB'S SOCIAL PROTECTION STRATEGY, 2001 ADB'S GENDER & DEVELOPMENT POLICY, 1998 ADB ACCESS TO INFORMATION POLICY, 2018	GAPS & EXPECTED ACTIONS
		The ADB Access to Information Policy states that information should be provided to project affected people and other stakeholders in a way that allows them and other stakeholders to provide meaningful inputs into project design and implementation.	
<b>Monitoring</b>	There is no requirement for monitoring of the resettlement procedures and outcomes.	ADB requires monitoring & assessment of outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by considering the baseline conditions & the results of resettlement monitoring. In addition, the Gender and Development Policy requires for monitoring and evaluation processes to systematically incorporate attention to gender in all activities. As part of this, the following reports are prepared for the Project: A Resettlement Plan Compliance Report – Upon completion of compensation payments. Semi-annual social monitoring report throughout the construction period. A Resettlement Plan evaluation report upon completion of the Project.	The project will undertake internal and external monitoring in line with the requirements established in the SCAR CAP (see table 8-1) and draft RAP. This will also include the monitoring and taking of corrective actions for any unanticipated impacts identified during the project implementation. A RAP completion audit will also be required.

## 6 REVIEW OF THE LAND ACQUISITION PROCESS

### 6.1 Allocation of Land to the Project

As stated in section 3.2 above, the area of land within the proposed project site and surrounding area is owned by the Bilasuvar Executive Power. The State requires the Executive Power to transfer the 1,454ha of land allocated to the project to the MoE to allow for the development of the project. This transfer is in line with the Cabinet of Ministers of the Republic of Azerbaijan Decision No. 212 dated April 16, 2024, which designated the land (1,454ha) to the Bilasuvar Solar PV project. The allocated agricultural land will be designated as 'Renewable Energy Land Category' under the possession of the MoE.

### 6.2 Presence of Indigenous Peoples and Vulnerable Ethnic Groups

The socio-economic surveys requested for the PAPs to provide information about their ethnicity. It is noted that all the PAPs stated that they are Azerbaijani.

According to the data reviewed from the International Work Group for Indigenous Affairs (IWGIA)<sup>3</sup>, there are no Indigenous Peoples or vulnerable ethnic groups in the region and the project area.

The assessment against ADB Safeguard Requirement 3 on Indigenous Peoples demonstrates that none of the four criteria are met, as shown in the table below.

**Table 6-1 Indigenous peoples' evaluation of the PAPs**

ADB'S SAFEGUARD REQUIREMENT 3: INDIGENOUS PEOPLE	CHARACTERISTIC OF THE PAPs	ADB'S CRITERIA IS TRIGGERED?
<i>Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others.</i>	The PAPs identify themselves as Azerbaijanis. Approximately 92% <sup>4</sup> of the people in Azerbaijan identify as ethnically Azerbaijani and they are not considered as belonging to a distinct cultural group.	No
<i>Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories.</i>	The PAPs have no attachment to the land allocated to the proposed project. This land is designated for grazing purposes by the state and existing and terminated leases were held with Executive Power.  In addition, the characteristic of the land (habitat) allocated to the project is like majority of state land designated as grazing land in Azerbaijan.	No

<sup>3</sup> <https://iwgia.org/en/countries.html>

<sup>4</sup> <https://www.worldatlas.com/articles/ethnic-groups-of-azerbaijan.html>

ADB's SAFEGUARD REQUIREMENT 3: INDIGENOUS PEOPLE	CHARACTERISTIC OF THE PAPs	ADB's CRITERIA IS TRIGGERED?
	It is noted that apart from H5/MH6, the other herders and workers live outside the project area in Lerik, Bilasuvar and Jalilabad and they come to the project site for the purposes of winter grazing.	
<i>Customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture.</i>	The PAPs identify as Azerbaijanis and are therefore part of the mainstream cultural, economic, social and political institutions. As such, the PAPs are part of the dominant society and culture.	No
<i>A distinct language, often different from the official language of the country of region.</i>	The PAPs speak the Azerbaijani language which is considered as the official language in the Republic of Azerbaijan.	No

## 6.3 Scope of Land Use for the Project

### 6.3.1 Identification of the PAPs

The identification of the PAPs was undertaken through consultations with the Bilasuvar Executive Power, herders and workers including site visits. During this period, two lists of PAPs were provided by the Executive Power in which there were some disparities in the names of the PAPs vs the actual land users identified by the 5 Capitals social team. Additionally, there are 8 structures on site where one is used as a permanent residency, one is unused, and the other 6 are used as temporary residents during the period the herders are on site during the winter period.

The full list of the PAPs as per the records provided by the Executive Power and as the outcome of the site visits and PAPs consultations are provided in the table below. It should be noted that some of the outcomes below are based on the feedback from those consulted and in some cases no records were provided to validate their claims i.e., claims relating to ownership of structures.

Table 6-2 History of land use at the project site

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
FH1	200ha of which 110ha have been allocated to the proposed project.	The statement from the Executive Power state the structure in his leased land is unused. However, the structure in his land is under H1 below.	<ul style="list-style-type: none"> <li>The herder appears on this list and is listed as a formal land user holding a lease agreement with Executive Power.</li> </ul>	He is recorded as a formal land user.	<p>This herder was identified on site and consulted on multiple occasions.</p> <ul style="list-style-type: none"> <li>He signed the lease agreement with the Executive Power on 14<sup>th</sup> November 2016 for 15 years.</li> <li>Records show that his lease for 110ha was terminated on 20<sup>th</sup> November 2023 based on his own application after he was informed about the project.</li> <li>Consultations with the PAP shows that he will continue to use the remaining 90ha of land unimpacted by the project until the LLA for the replacement land is signed. This process is currently on-going. He does not intend to rent any land to offset the impacts from the project in the meantime as replacement land has been identified by the Executive Power.</li> </ul>	<ul style="list-style-type: none"> <li>Consultations undertaken with the Executive Power on 21<sup>st</sup> August 2024 revealed that they had sent a request to the Ministry of Agriculture and the State Service on Property issued on 29<sup>th</sup> December 2023 requesting for permission to allocate new land to FH1. This request was approved for land located near the project site (see figure 6-1 on the location of the approved land) . It is noted that Executive Power will directly allocate this land to FH1 as this is state land (see section 6.4.1 below for more details).</li> <li>FH1 used to pay AZN500 per month (AZN 6,000 per year) as part of the yearly lease payment. This amount was not refunded to him after the cancellation of the lease.</li> <li>Consultations undertaken with the Executive Power and FH1 between 21<sup>st</sup> and 31<sup>st</sup> August revealed that the herder has been allocated 110ha of replacement land and the LLA signing process is on-going. The period of the LLA will be 15 years.</li> <li>Additionally, the PAP undertook a visit to the proposed replacement land on 2<sup>nd</sup> September 2024 and confirmed that the land was suitable for use as grazing, and he had no concern on its quality of accessibility. This land is located near the project site and the location is provided in figure 6-1 below.</li> <li>It is noted that the replacement land is located within the general area of the Project site (outside of the boundaries) and is therefore the same land type and condition as what the herder previously had access to at the project site.</li> <li>The process of allocating the land and signing of the LLA has commenced and the herder will have the same land rights as previously held in the land located within the project site.</li> </ul>
H1	This herder does not use the land within the site.	<ul style="list-style-type: none"> <li>Structure 1: This herder claims that the structure on FH1 land belonged to his father during the Soviet period. It is noted that FH1 has no objection to these claims.</li> <li>It is noted that the structure has not</li> </ul>	<ul style="list-style-type: none"> <li>Not recorded in the list provided.</li> </ul>	His name is recorded under details provided under FHI as the user of structure 1 (this structure is not in use).	<ul style="list-style-type: none"> <li>Consultations revealed that this herder had a previous lease signed in 2007 for land outside the project site. This lease expired in 2022 and was never renewed. The herder provided a copy of the expired lease agreement.</li> <li>It is noted that this herder is in ill health which does not allow him to undertake grazing activities as the site is located approximately</li> </ul>	<ul style="list-style-type: none"> <li>This herder has an unused structure within the site, but he has never held a lease agreement for any land within the project area of influence (Aoi).</li> </ul>

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
		been used since 2019 because it is not in good condition.			<p>180km from his home. As such, his brother W1 grazes his livestock for free at the land used by H6.</p> <ul style="list-style-type: none"> <li>• He has an unused structure within the project site which is in poor condition. He claims to have inherited this from his father who built it during the Soviet era. Though this structure is located in the land leased to FH1, FH1 has confirmed that he has no claim to it and it belongs to H1.</li> <li>• It is noted that this herder did not use the land under FH1 because his livestock is grazed by W1 who works for H6.</li> </ul>	
H2	<ul style="list-style-type: none"> <li>• The statement from Bilasuvar Executive Power shows that this herder was allocated 100ha which he had access to until 2016.</li> <li>• However, the 'New list of PAPS' shows he has access to 45ha which is under herder EXL1 which he confirmed was what he was currently using for grazing purposes.</li> </ul>	structure 2: The statement from Executive Power stated that the structure on his site is unused. However, site visits identified that the structures within his grazing area are being used.	<ul style="list-style-type: none"> <li>• Only this herder's name appears on this list.</li> </ul>	This herder is recorded together with his son PAP ID MH1 below. They are listed as users of the land.	<p>This herder uses the project site, and his herding activities are supported by his son (MH1) and wife (MH3). Additional consultations undertaken between 21<sup>st</sup> and 30<sup>th</sup> of August revealed that:</p> <ul style="list-style-type: none"> <li>• This herder previously had a lease agreement with the Executive Power until 2016 for 100ha. However, he did not renew the lease agreement, and this was part of land allocated to FH1 (formal land user).</li> <li>• In 2018, H2 alleges that he signed a notarised agreement with EXL1 valid until 2022. This agreement allowed him to use the 45ha of land (and structure) which was under the lease of EXL1. Efforts to contact the family of EXL1 (who is now deceased) to confirm that they have no claim to the structure being used by H2 have been unsuccessful.</li> <li>• However, EXL1 lease was terminated by Executive Power on 24<sup>th</sup> May 2019 based on a court order dated 16<sup>th</sup> March 2018 (more details provided under 'Ex-lease holders section below).</li> </ul>	<ul style="list-style-type: none"> <li>• His previous lease for 100ha expired in 2016 and this was part of the land allocated to FH1. However, he currently uses 45ha of the land that was previously allocated to EXL1 whose lease agreement was terminated on 24<sup>th</sup> May 2019. As such, he is an informal land user.</li> <li>• This herder has a structure on site that is used from October to start of spring in April during the winter period.</li> <li>• This herder is from Bilasuvar district, and his wife visits him one to two times a week to support in chores and food preparation. His son MH1 also stays over during the period he is supporting him with grazing activities.</li> </ul>
H3	This herder has access to 50ha according to the "New List of PAPS"	Structure 3 was identified during the site visits and consultations as it is not reflected in the	Not recorded	Recorded	<ul style="list-style-type: none"> <li>• He started using the land in 2009 together with EXL2. EXL2 was the legal lease holder with the Executive Power based on an</li> </ul>	<ul style="list-style-type: none"> <li>• This herder has never held a lease agreement for any of the land within the project site. He has always been an informal land user.</li> </ul>



PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
	from Executive Power" and based on the outcome of site visits and consultations.	Executive Power records provided to the Project.			<p>agreement signed on 25<sup>th</sup> December 2009. There was no official agreement between these two herders (H3 &amp; EXL2) on the combined use of the 50ha of land.</p> <ul style="list-style-type: none"> <li>• However, EXL2 died in 2011 and H3 claims that the son of the deceased asked him to take over the use of the land and the structure as he did not have the capacity to do this. A letter claimed to be from EXL2 son states that the grazing land and structures have been transferred to H3 and he has no claim to them. However, this letter dated May 2024 has not been signed or notarised. Four witnesses provided a notarised document stating that H3 was the owner of the structures within the site. In addition, the other herders provided verbal confirmation that H3 had taken over ownership of the structures from EXL2.</li> <li>• The land lease agreement issued to EXL2 was terminated on 14<sup>th</sup> November 2016 after his death. However, H3 continued using the land and the structure.</li> <li>• He is supported by his wife (MH4) and his son (MH5) in his herding activities.</li> <li>• The herder stated that he has an agricultural loan connected to his grazing activities with payments until June 2025 for monthly payments of 980AZN. However, he is worried that he will not be able to pay the loan if he loses access to the land.</li> </ul>	<ul style="list-style-type: none"> <li>• He has concerns over an agricultural loan connected to his livestock activities with monthly payments of 980AZN until June 2025.</li> </ul>
H4	These two herders are brothers who were using the land that was previously leased to their father which is 80ha.	Structure 4: These brothers stated that they own equal rights to this settlement inherited from their father. However, H5 uses the structure on site as his permanent home	No record of this herder exists.	No record of this herder exists.	<ul style="list-style-type: none"> <li>• H4 and H5 are brothers and they both use the same land and settlement inherited from their deceased father.</li> <li>• H5 and his wife (MH6 ) live on site on a permanent basis (refer to section 6.4.1 for an update on the current situation).</li> </ul>	These two herders have never held a lease agreement with the Executive Power within the project boundaries. The lease was under their father EXL3 (now deceased) before it was terminated in 2016.
H5			Listed as a land user under his father EXL3 who is now deceased	Listed as a land user under his father EXL3 who is now deceased		

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER -MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
		where he lives all year round with his wife.			<ul style="list-style-type: none"> <li>The herders' mother is alive and has been asked to provide a written signed confirmation that she has no claim to the entitlements that will be provided to her 2 sons based on the project impacts. consultations undertaken with the mother on 24<sup>th</sup> September 2024 as part of the preliminary compensation disclosure revealed that she has no objection towards her sons (H4 and H5) receiving the compensation (refer to table 6—8 for more details).</li> </ul>	
H6	This herder's lease was for 130ha and the lease for 110.67ha was terminated in 2019. The 110.67ha is recorded to be what is within the project boundaries.	Structure 5: The structures are also recorded to be in use under the statement issued by Bilasuvar Executive Power. This was confirmed during the site visits and consultations.	<ul style="list-style-type: none"> <li>This herder is recorded and his worker W1 is listed as a land user.</li> </ul>	Herder is recorded as an ex-lease holder and his worker (W1) is also listed.	<ul style="list-style-type: none"> <li>He signed the lease on the 130ha of land on 31<sup>st</sup> March 2010 for a period of 15 years.</li> <li>However, on January 22<sup>nd</sup>, 2019, the lease agreement to 110ha out of the 130ha was terminated according to a court order dated 30<sup>th</sup> October 2018. However, the lease covering the remaining 20ha of land was never updated and therefore this herder has no existing LLA in place.</li> <li>The 20ha of land whose lease was never updated after the 2019 termination is located outside of the project site. However, according to the herder, the land cannot be used because it was used for the construction of the main road connecting Baku to Bilasuvar district.</li> <li>The herder also stated that the Executive Power had informed him that he could use a 20ha piece of land located near the site (and not impacted by the proposed project or main road) but they did not provide him with the boundaries of this land. The claims from this herder could not be verified with the Executive Power as they did not respond to the Project team's request.</li> <li>It was also identified that this herder's worker (W1) is not paid a</li> </ul>	<ul style="list-style-type: none"> <li>This herder is an informal land user within the site after his lease was terminated in January 2019 and his lease was terminated because he did not use the land according to the LLA provisions.</li> </ul>

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
					salary, but he is allowed to graze his own livestock and those of his brother H1 at the site while tending to those belonging to H6.	
H7	266ha	Structure 6: These structures are recorded as being in use under the statement issued by Bilasuar Executive Power. This was confirmed during the site visits and consultations.	<ul style="list-style-type: none"> <li>This herder is recorded and his worker W2 is listed as a land user.</li> </ul>	Herder is recorded as an ex-lease holder and his worker (W2) is listed as a land user.	<ul style="list-style-type: none"> <li>Herder and his worker have been identified during the site visits and consultations.</li> <li>He signed the lease on the 266ha on 20<sup>th</sup> October 2006.</li> <li>According to the lease termination records, his lease was terminated on 22<sup>nd</sup> Jan 2019 based on a court order dated 31<sup>st</sup> October 2018, citing ineffective use of land.</li> <li>The herder's worker (W2) is paid a salary and owns no livestock of his own. This worker does not have a contract.</li> </ul>	<ul style="list-style-type: none"> <li>This herder is an informal land user after his lease was terminated in January 2019 because he did not use the land according to the LLA provisions.</li> </ul>
H8	188ha	Structure 7 is listed as being in use by the Statement of the Executive Power. This was also confirmed during the site visits.	Recorded as having structures on site	He is recorded as a structure owner	<ul style="list-style-type: none"> <li>The site visit confirmed that this herder has a household structure.</li> <li>According to previous information provided by Executive Power, this herder was thought to have a legal lease agreement for 188ha located outside of the project boundaries with a lease of up to 2026. However, the boundaries of this land were unknown including to the herder who expressed concern that he wanted to ascertain if his land would be impacted by the project or not.</li> <li>In a meeting held between the herder, Masdar CLO and Executive Power on 30<sup>th</sup> August it was resolved that Executive Power would verify the boundaries of H8 land and provide the coordinates to the Project and herders.</li> <li>After the meeting held on 30<sup>th</sup> August 2024, Masdar's CLO followed up with the municipality to determine the location of the land and the validity of the lease agreement. During this process, the Executive Power discovered through a review of their records that H8 lease for 188ha was</li> </ul>	<ul style="list-style-type: none"> <li>The outcome of consultations undertaken by Masdar's CLO with the Executive Power in September 2024 show that the herder's lease was terminated on April 20<sup>th</sup>, 2018, through a court order.</li> <li>The Executive Power provided a figure on 2<sup>nd</sup> October 2024 showing the location of H8 land. Based on this figure, the land and the herder's structures are located within the project boundaries and therefore they will be impacted by the project. Consultations are still on-going between the project CLO and Executive Power to be able to establish the exact coordinates of the 188ha in relation to the project boundaries. It is noted that the impact on this herder has been assessed for the draft RAP in relation to the loss of grazing land and his structures.</li> </ul>

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
					<p>terminated through a court resolution dated April 20<sup>th</sup>, 2018, because he did not use the land for its intended use of animal husbandry.</p> <ul style="list-style-type: none"> <li>It is noted that the termination of lease did not include the exact coordinated of the land previously leased to H8 and therefore these remain unknown.</li> <li>The Executive Power stated that the land previously leased to H8 has not been leased to anyone else.</li> <li>He is supported by his wife MH8 and son (MH9) in undertaking herding activities.</li> </ul>	
H9	20ha as recorded under EXL4	Structure 8: He claims that he is the owner of this structure after it was handed over by EXL4	He is recorded as being a land user under EXL4	He is recorded as a land user under EXL4	<ul style="list-style-type: none"> <li>This herder was identified as using the project site for grazing purposes. He is supported by his mother (MH11) and his wife (MH10) in undertaking grazing activities.</li> <li>He alleges that he made an agreement with EXL4 to use the land and the structure. However, no additional details were provided on the nature of the agreement between him and EXL4. It is noted that EXL4 issued a letter stating that he gave up the use of the 20ha to H9. This letter is also signed by two witnesses and their IDs attached but this letter is not notarised or dated.</li> </ul>	<ul style="list-style-type: none"> <li>This herder has never held a lease agreement with the Executive Power for any of the land within the project site.</li> <li>It is noted that EXL4 has provided a signed letter signed by two witnesses stating that he has no claim to the land or structures used by H8 .</li> </ul>
<b>Workers</b>						
W1	N/A	N/A	Recorded as a land user under H6	Recorded as a worker and land user under H6	<ul style="list-style-type: none"> <li>This is an informal worker under H6. He does not receive a salary as H6 allows him to graze his livestock and those of his brother (H1) on his land (where H6 previously held a lease).</li> <li>He stated that he has no claim on the structure under H6.</li> <li>He is sometimes supported by his wife MH14 in undertaking grazing activities.</li> </ul>	<ul style="list-style-type: none"> <li>This worker is informal and even though he grazes his livestock on H6 land, he has never held a lease agreement with the Executive Power for land within the project site.</li> </ul>

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
W2	N/A	He has no structures on site but he uses those under his employer H7	Recorded as a land user under H7	Recorded as a worker and land user under H7	<ul style="list-style-type: none"> <li>This worker is informal and has no livestock of his own. He is paid a monthly salary of AZN 800 for taking care of H7 livestock.</li> <li>He has worked for H7 for approximately 24 years.</li> <li>The worker stays in the structure owned by H7 while grazing livestock during the winter season. However, he has no claim of ownership to these structures.</li> <li>His primary home is in Eliye village in Lerik district</li> <li>He is sometimes supported by his son MH7.</li> <li>H7 has stated that W2 could potentially lose his job if he is not able to identify suitable winter grazing land. This will impact his household income as grazing is his primary source of income.</li> </ul>	<ul style="list-style-type: none"> <li>This is a salaried informal worker without a contract.</li> <li>This worker would potentially lose his job if a suitable replacement land is not identified for his employer H7.</li> <li>The loss of employment will significantly impact him because herding is his primary source of income.</li> </ul>
<b>PAPs Relatives</b>						
MH1	N/A	N/A	No record	He is listed as a land user under the land used by his father herder H2.	His son was consulted and stated that he supports his father in grazing activities.	<ul style="list-style-type: none"> <li>His land use is connected to H2 who is his father and is also an informal land user. H2 has never held a lease agreement with Executive Power for land within the project site.</li> <li>These members of the PAPs family are engaged in supporting herding activities at the project site.</li> <li>The spouses engaged in herding activities are involved in activities such as milking, cleaning and undertaking chores within the structure.</li> </ul>
MH3	N/A	N/A	N/A	N/A	This is the wife of H2, and she supports her husband in herding activities.	
MH4	N/A	N/A	N/A	N/A	MH4 is the wife of H3, and she supports her husband in herding activities.	
MH5					MH5 is the son of H3, and supports his father in herding activities.	
MH6	N/A	N/A	N/A	N/A	This is the wife of H5, and she lives on the site with her husband on a permanent basis. She is responsible for	
MH7	N/A	N/A	N/A	N/A	This is the son of W2, and he sometimes assists his father in undertaking grazing activities under H7.	
MH8	N/A	N/A	N/A	N/A		

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
MH9	N/A	N/A	N/A	N/A	MH8 is the wife of H8 while MH9 is their son. They both support H8 in undertaking herding activities.	
MH10	N/A	N/A	N/A	N/A	MH10 is the wife of H9 while MH11 is the mother of H9. The wife and the mother alternate in supporting with herding activities but the mother is more engaged.	
MH11	N/A	N/A	N/A	N/A		
MH14	N/A	N/A	N/A	N/A	This is the wife of W1, and she also supports him in herding activities.	
<b>Ex-lease Holders</b>						
EXL1	This herder was allocated 45ha under his lease which is now being used by H2 above.	As provided under H2 above	No record	No record	<ul style="list-style-type: none"> <li>This herder was not identified on site as the Social team was informed that he died in 2020. The Executive Power claimed that they cannot trace his family as they do not know them.</li> <li>Before his death, records show that he signed a lease agreement on 23<sup>rd</sup> of July 2007 for 15 years. However, it was terminated on 24<sup>th</sup> May 2019 through a court order dated 16<sup>th</sup> March 2018. .</li> <li>H2 claims that he had an agreement to use the land allocated to EXL1 until 2022 which has now lapsed. This agreement is was not available for review.</li> </ul>	<ul style="list-style-type: none"> <li>The land lease was terminated before his death in 2020.</li> <li>This land and the associated structures are being used by H2 as an informal land user.</li> </ul>
EXL2	As provided under H3 above	As provided under H3 above	No record	Recorded as an ex-lease holder and he is deceased.	<ul style="list-style-type: none"> <li>This herder died in 2011. However, records show he was the lease holder of the land being used by H3. He signed the lease agreement in 2009, but this was terminated on 14<sup>th</sup> November 2016 due to his death.</li> <li>H3 claims that the son of EXL2 asked him to take over the structure and the grazing land as he did not have the capacity to. A letter from EXL2 son seems to confirm these claims though it is not signed or notarised.</li> </ul>	<ul style="list-style-type: none"> <li>His lease was terminated on 14<sup>th</sup> November 2016 after his death. Before his death, he and H3 used the grazing land together even though the lease was under EXL2.</li> <li>A letter claimed to be from EXL2 son states that the grazing land and structures have been transferred to H3 and he has no claim to them . However, this letter has not been signed or notarised. This letter is dated May 2024.</li> </ul>
EXL3	As provided under H4 & H5 above	As provided under H4 & H5 above	His name is provided on the list, but details of his lease are not available. His son H5 is also listed under him as a land user.	Recorded as an ex-lease holder and he is deceased.	<ul style="list-style-type: none"> <li>The lease agreement was signed on 4<sup>th</sup> April 2001 for 15 years. It is claimed that it was renewed after expiry in 2016, but no copies were</li> </ul>	<ul style="list-style-type: none"> <li>His sons H4 and H5 inherited the area of grazing and the structure after his death but the lease was terminated in 2019.</li> </ul>

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER - MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
					<p>provided to the project team to support this claim.</p> <ul style="list-style-type: none"> <li>This herder died in 2023 and his sons H4 &amp; H5 claim to have inherited the ownership of the structure and use of land. However, EXL3 lease was terminated in 2019 and therefore the sons are using the land informally.</li> <li>No confirmation has been provided that EXL3 wife stating that the structure was inherited by her sons (H4 &amp; H5). However, she has not expressed any objections during consultations held with her and confirmed that H5 lives on site permanently.</li> </ul>	
EXL4	As provided under H9	As provided under H9	This herder appears in this list. It is shown that his lease was terminated on 10 <sup>th</sup> September 2019 based on the court order dated 15th April 2018.	Recorded as an ex-lease holder	Not recorded on site.	<ul style="list-style-type: none"> <li>EXL4 issued a letter stating that he had given the rights of use of the 20ha land to H9 including the structure. However, this letter is not dated or notarised.</li> </ul>
Agro Technical LLC	1,762	N/A	No record	No record	Not observed on site as their lease was terminated	<ul style="list-style-type: none"> <li>According to this statement, the 1,762ha were leased to Agro Technical LLC through an order dated 29th July 2019 after the termination of the leases of herders within the project site.</li> <li>The lease was thereafter terminated through a decision made by Baku Commercial Court No. e-2-2(113)-450/2023 dated 18.04.2023.</li> <li>The reason for termination of this lease was because Agro Technical did not use the land allocated to them in accordance with the LLA and they also had rent arrears of 10,771.0 AZN.</li> <li>As a result of the termination, Agro Technical filed a motion with the Supreme Court of Azerbaijan dated 18.04.2023 numbered e-2-2(113)-450/2023 but this was rejected and the decision of the Baku Commercial Court upheld.</li> <li>Agro Technical accepted the ruling by the Commercial Court of Baku, and they did not appeal the process. As such, the case is considered closed, and their lease was terminated.</li> </ul>
<b>Other names provided by Executive Power</b>						
MH2	N/A	N/A	Recorded as being a land user under EXL2	No record of this herder is provided in this list.	<ul style="list-style-type: none"> <li>Efforts to locate MH2 were not successful, and his name was removed from the 'New list of</li> </ul>	<ul style="list-style-type: none"> <li>While this PAP appeared in the first list provided by the Executive Power, consultations with the Executive Power show that they are not aware of</li> </ul>

PAP ID	SIZE OF LAND	STRUCTURES ASSOCIATED WITH PAP	IDENTIFICATION SOURCE			CONCLUSION
			STATEMENT FROM BILASUVAR EXECUTIVE POWER MARCH 2024	NEW LIST OF PAPS ISSUED BY EXECUTIVE POWER -MID APRIL 2024	OUTCOME OF SITE VISITS & CONSULTATIONS	
					PAPS" issued by the Executive Power. • Additionally, none of the other herders knew who he was, and they stated he does not use the site.	him as he never held a lease with them. Additionally, the PAPS within the project site stated that they do not know him. • Based on the above, he is assumed have been an informal land user who has not used the site for a couple of years now.



### 6.3.1 Analysis of the land use between 2016-2024

Based on the table above the following key elements can be derived in relation to past and present land users.

ELEMENT	PAPs	TOTAL
<b>LEGAL LEASE HOLDERS WITHIN THE SITE</b>	FH1	1
<b>INFORMAL LAND USERS CURRENTLY ON SITE – GRAZING &amp; STRUCTURE</b>	<ul style="list-style-type: none"> <li>• H1: His livestock is under his brother W1 who is employed by H6.</li> <li>• H2 : He is supported by his wife MH3 and his son MH1</li> <li>• H3: He is supported by his wife MH4 and his son MH5.</li> <li>• H4: grazes the livestock together with his brother H5.</li> <li>• H5: lives on the site on a permanent basis with his wife MH6.</li> <li>• H6: He has employed W1. This herder also claims to still hold 20ha of land outside of the project site (impacted by the construction of the Baku-Bilasuvar road). However, his LLA was never updated when the lease for 110ha was terminated in 2019. As such, he does not hold an updated lease for the 20ha.</li> <li>• H7: He has employed W2 to herd his livestock. W2 is sometimes supported by his son MH7 in herding activities.</li> <li>• H8: He is supported by his wife MH8 and son MH9 in undertaking herding activities.</li> <li>• H9: He is supported by his mother (MH11) and his wife (MH10) in undertaking herding activities.</li> <li>• W1: He is an informal worker under H6. He grazes his livestock and those of his brother (H1) on land under H6. This herder is sometimes supported by his wife MH14.</li> </ul>	9 herders & 1 worker (W1) 9 members of herders' families and 2 from the workers families.
<b>LAND USERS WHO USE THE STRUCTURES AS PERMANENT RESIDENCY</b>	Currently assessed as H5 & his wife MH6	1 herder & 1 member of his family
<b>LAND USERS WITH UNUSED STRUCTURES</b>	H1	1

<p><b>LEASE HOLDERS WHOSE LEASES WERE TERMINATED BETWEEN 2016 TO 2019</b></p>	<ul style="list-style-type: none"> <li>• H2 – Lease for 100ha expired in 2016 but he did not renew it, so it was included as part of the land leased to FH1.</li> <li>• H6 – Lease for 110.6ha was terminated on 22<sup>nd</sup> January 2019.</li> <li>• H7 – Lease for 266ha was terminated on 22<sup>nd</sup> January 2019</li> <li>• H8 – Lease for 188ha was terminated on April 20<sup>th</sup>, 2018.</li> <li>• EXL1 – Lease for 45ha was terminated on 24<sup>th</sup> May 2019.</li> <li>• EXL2 – Lease for 50ha was terminated on 14<sup>th</sup> November 2016 due to his death.</li> <li>• EXL3 – Lease for 8ha was terminated in 2019.</li> <li>• EXL4 – Lease for 20ha was terminated on 10<sup>th</sup> September 2019.</li> </ul>	<p>8</p>
<p><b>LEASE HOLDERS WHOSE LEASES WERE TERMINATED BETWEEN 2020-2023</b></p>	<ul style="list-style-type: none"> <li>• Agro Technical LLC – Lease for 1,762ha was terminated on 18<sup>th</sup> April 2023.</li> <li>• FH1 – The lease on the 110ha of land allocated to the project was terminated on 20<sup>th</sup> November 2023.</li> </ul>	<p>2</p>
<p><b>LAND USERS WHO HAVE NEVER HELD LEASES WITH THE EXECUTIVE POWER FOR LAND WITHIN THE SITE</b></p>	<p>H1, H3, H4, H5, H9, W1</p>	<p>6</p>
<p><b>DECEASED FORMER LAND USERS</b></p>	<p>EXL1, EXL2 and EXL3</p>	<p>3</p>
<p><b>TOTAL NO. OF LAND USERS BETWEEN 2016 TO 2023</b></p>	<p><b>16</b> (excluding the one worker without livestock and family members)</p>	
<p><b>CURRENT LAND USERS 2024</b></p>	<p><b>1</b> formal and user and <b>10</b> informal land users (excluding the one worker without livestock and family members involved in herding activities)</p>	
<p><b>INFORMAL WORKERS</b></p>	<p><b>2</b></p>	
<p><b>FAMILY MEMBERS (2024)</b></p>	<p><b>11</b></p>	
<p><b>HERDERS + WORKERS + FAMILY MEMBERS WHO ARE DIRECTLY INVOLVED IN HERDING ACTIVITIES (2024)</b></p>	<p><b>23<sup>5</sup></b></p>	

<sup>5</sup> Out of the 74 PAPs, there are 10 herders and 2 workers and they are directly supported by 11 family members in undertaking herding activities (23 persons in total) as described in table 6-2 above.

According to the outcome of consultations undertaken with the herders, they tried to verbally renew their leases or sign new ones after the cancellation of the Agro Technology LLC lease in 2023, but they were not successful. However, the Executive Power stated that none of the herders had submitted renewal applications and therefore none were issued. Additionally, the Executive Power noted that the herders had violated the terms of their lease agreements. While specific details of why the leases were terminated are not available, the land lease law provides the following reasons for why leases can be cancelled:

- Not using the land for the purpose, it was intended.
- Not protecting the quality of agriculture through relevant agrotechnical measures.
- Not returning the leased land after the expiry of the LLA.
- Not paying the land lease fee and other charges as per the legislation.
- Sub-leasing the land to other parties.
- Construction of buildings without approval.

It is noted that EXL1 lease was terminated in 2019 and EXL3 lease was terminated in 2023. Both passed away in 2020 and 2023, respectively. Land lease for EXL2 was terminated in 2016, after he died in 2011.

It was also established that the 8 structures on the project site existed from the soviet era when the land was used for collective farming. Based on this, their use has been passed on from generations or informal agreements between herders. In some cases, the herders have renovated unused structures to make them functional. Under these circumstances, none of the herders' own titles to the structures and they are unregistered.

Due to the land reforms that have taken place since the end of the soviet era, the land was reclassified as agricultural land for grazing purposes under the state fund (instead of a collective). Based on this, the structures are considered to be illegal (even though they were constructed in the soviet era) as only temporary structures are allowed on grazing land.

### 6.3.2 Current land use

As discussed in the sections above, the land within the project site is used as winter grazing area. Grazing is typically undertaken between October to the start of spring in April (exact dates may vary depending on prevailing weather conditions) as the winter period in the project area is relatively better compared to the summer grazing areas the herders have access to (outside of the project area).

Based on the outcome of the consultations, the following type of land users have been identified on the site:

- Formal land users: FH1 is the only formal land users using the site.

- Informal land users: There 10 who are either grazing or using the structures on site without legal lease agreements. This includes 9 herders and 1 worker (W1) who also owns livestock.
  - 11 family members of these land users also support them in undertaking herding activities. It is noted that none of these family members receive a salary, and they support the grazing activities as this is their main source of household income.
- Informal workers
  - W1 is employed by H6 but instead of earning a salary, he is allowed to graze his own livestock and that of his brother H1 (on H6 land).
  - W2 is employed by H7 and does not own any livestock. This herder may lose his long-term job in case suitable winter grazing land is not identified for his employer H7. This will have a significant impact on his income as grazing is his primary source of income.

**Table 6-3 Summary of Land Users within the Project Site (summary of table 5-1)**

PAP ID	FAMILY MBR ID.	AREA OF LAND (HA)	STRUCTURE ID	TYPE OF LAND USERS	NATURE OF LAND USE	NO OF LIVESTOCK	SEASON OF LAND USE	LEGAL VALIDITY OF LEASE	LIST OF ASSETS	
									NUMBER OF ASSETS	DESCRIPTION
FH1	N/A	200 with 110ha allocated to the project	N/A	Formal	Livestock grazing	250 sheep, 50 cattle, 10 horses	October - start of spring in April	Formal land user	N/A	This herder has no structures on site.
H1	W1	Grazes under land H6	Structure 1	Informal	Livestock grazing	150 sheep, 6 cattle, 1 horse	October - start of spring in April	These herders do not have any lease agreements in place for their use of land within the site.	5 Unused	<ul style="list-style-type: none"> <li>Accommodation structure</li> <li>Animal stable</li> <li>Unfinished structure</li> <li>Handmade stove</li> <li>"Su Havuz" loosely translated as water storage which is a closed structure used to store water in storage containers for their daily use.</li> </ul>
H2	MH3 MH1	45	Structure 2	Informal	Livestock grazing	130 sheep, 43 cattle, 1 horse	October - start of spring in April		8	<ul style="list-style-type: none"> <li>Accommodation structure</li> <li>2 animal stables</li> <li>Farm building</li> <li>Two concrete animal pools</li> <li>Handmade stove</li> <li>Toilette/bathroom</li> </ul>
H3	MH4 MH5	50	Structure 3	Informal	Livestock grazing	250 sheep, 150 cattle, 1 horse	October - start of spring in April		8	<ul style="list-style-type: none"> <li>Two accommodation structures</li> <li>3 animal stables</li> <li>"Su Havuz" loosely translated as water storage</li> </ul>

PAP ID	FAMILY MBR ID.	AREA OF LAND (HA)	STRUCTURE ID	TYPE OF LAND USERS	NATURE OF LAND USE	NO OF LIVESTOCK	SEASON OF LAND USE	LEGAL VALIDITY OF LEASE	LIST OF ASSETS	
									NUMBER OF ASSETS	DESCRIPTION
										<p>which is a closed structure used to store water in storage containers for their daily use.</p> <ul style="list-style-type: none"> <li>Toilette</li> <li>Handmade stoves.</li> </ul>
H4	N/A	80	Structure 4	Informal	Livestock grazing	200 sheep	October - start of spring in April		11	<ul style="list-style-type: none"> <li>Two accommodation structures</li> <li>6 animal stables</li> <li>2 "Su Havuz" loosely translated water storage which is a closed structure used to store water in storage containers for their daily use.</li> </ul>
H5	MH6			Informal	Livestock grazing	40 cows	All year round			<ul style="list-style-type: none"> <li>Toilette</li> </ul>
H6	N/A	110.67	Structure 5	Informal	Livestock grazing	250 sheep, 3 cattle	October - start of spring in April		8	<ul style="list-style-type: none"> <li>Accommodation structure</li> <li>3 animal stables</li> <li>Farm building</li> <li>"Su Havuz" loosely translated as water storage which is a closed structure used to store water in storage containers for their daily use.</li> <li>Handmade stove</li> <li>Toilette</li> </ul>

PAP ID	FAMILY MBR ID.	AREA OF LAND (HA)	STRUCTURE ID	TYPE OF LAND USERS	NATURE OF LAND USE	NO OF LIVESTOCK	SEASON OF LAND USE	LEGAL VALIDITY OF LEASE	LIST OF ASSETS	
									NUMBER OF ASSETS	DESCRIPTION
H7	N/A	266	Structure 6	Informal	Livestock grazing	250 sheep, 40 cattle	October - start of spring in April		13	<ul style="list-style-type: none"> <li>• 2 accommodation structure</li> <li>• 6 animal structures</li> <li>• 1 shed</li> <li>• 1 bathroom &amp; 1 toilette</li> <li>• Farm building</li> <li>• "Su Havuz" loosely translated water storage which is a closed structure used to store water in storage containers for their daily use.</li> <li>• Farm building</li> </ul>
H8	MH8 MH9	188	Structure 7	Informal	Livestock grazing	400 sheep, 40 cows including poultry	October - start of spring in April		11	<ul style="list-style-type: none"> <li>• Accommodation structure</li> <li>• 5 animal stables</li> <li>• Handmade stove</li> <li>• 2 farm buildings</li> <li>• "Su Havuz" loosely translated water storage which is a closed structure used to store water in storage containers for their daily use.</li> <li>• Toilette</li> </ul>
H9	MH10 MH11	20	Structure 8	Informal	Livestock grazing	150 sheep, 5 cows, 1 horse and poultry	October - start of spring in April		7	<ul style="list-style-type: none"> <li>• Accommodation structure</li> <li>• 2 animal stables</li> <li>• Farm building</li> </ul>

PAP ID	FAMILY MBR ID.	AREA OF LAND (HA)	STRUCTURE ID	TYPE OF LAND USERS	NATURE OF LAND USE	NO OF LIVESTOCK	SEASON OF LAND USE	LEGAL VALIDITY OF LEASE	LIST OF ASSETS	
									NUMBER OF ASSETS	DESCRIPTION
										<ul style="list-style-type: none"> <li>• “Su Havuz” loosely translated water storage which is a closed structure used to store water in storage containers for their daily use.</li> <li>• Shed</li> <li>• Toilette</li> </ul>
W1	MH14	Grazes his livestock under land used by H6	N/A	Informal	Livestock grazing	150 sheep, 2 cattle, 13 goats and poultry	October - start of spring in April	This worker is employed by H6, but he also grazes his own livestock on the site without a lease agreement.	N/A	N/A
W2	MH7	N/A	N/A	Informal worker	Livestock grazing	Poultry	October - start of spring in April	N/A	N/A	N/A



Out of all the herders and workers on the project site, only H5 and his wife MH6 use the project site all year round as the structure they use is also their primary residency (see update in section 6.4 below). During the consultations held on 20<sup>th</sup> and 22<sup>nd</sup> August 2024, the herder and his wife stated that they have lived on the site for more than 40 years and they currently do not have other land to relocate to. The project has undertaken proactive measures to ensure that his livelihood is not impacted as provided in section 6.6 below.

## 6.4 Physical & Economic Displacement Impacts

According to the outcome of the stakeholder engagement and review of documents provided by the Executive Power, only one herder (FH1) has a legal land lease agreement (LLA) for the land within the project site. 9 herders and one worker (W1) use the project site for grazing their livestock without an LLA, while the second worker (W2) does not have a formal work contract. There are also 11 family members who are directly engaged in herding activities and their support is unpaid.

Stakeholder engagement with the PAPs revealed that they rely on herding activities as their main source of income and therefore economic displacement without provision of an alternative land or livelihood will impact their households' incomes. This makes them particularly vulnerable.

Additionally, all the 8 structures on site are unregistered by the Executive Power and considered illegal under the law.

In relation to physical displacement, only H5 and his wife used to reside at the project site on a permanent basis while the structure under H1 has remained unused since 2019. The other 6 temporary structures are used by herders during winter grazing. H5 and his wife do not have a primary residency outside the project site, and this makes them particularly vulnerable as they live on the project site all year round. The draft RAP consultations with H5's mother revealed that he cannot return to the family home in Molalan village, Lerik district.

Based on the collected information it is concluded that all herders (apart from H5) are not within the project site during the summer period, and this means they only spend between October and start of spring in April at the project site. The structures at the project site are seen as workstations from where they take care of their livestock in winter before returning to their primary homes and going to the summer pastures. The duration of stay is between approximately 5-6 months as this is dependent on the prevailing winter conditions. However, the herders do not stay beyond the winter period. A summary of the herders' and the workers primary homes and their access to other grazing areas is provided below in the table below.

Consultations were also undertaken with the herders in August 2024 to determine the condition of the animal structures they have at their primary homes and whether these would be suitable

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for use during the winter period. The outcome of this consultations is presented in the table below.

**Table 6-4 Summary of the herders & workers primary homes and access to summer pastures**

PAP CODE	USE OF STRUCTURES ON SITE	PRIMARY RESIDENTIAL AREA	ACCESS TO OTHER LAND	WHERE STOCK IS KEPT IN THE SUMMER	LIMITATIONS FOR LIVESTOCK ASSETS ON OTHER PROPERTY
FH-1	This herder has no structures on site.	<ul style="list-style-type: none"> <li>Gunashli Village, Jalilabad District.</li> <li>Owner of residential plot measuring 0.35 ha</li> <li>40 km from project site</li> </ul>	<ul style="list-style-type: none"> <li>He still has access to 90ha that was not impacted by the project and the allocation of replacement land is on-going for 110ha (refer to the section below)</li> </ul>	<ul style="list-style-type: none"> <li>50% in his home; 50% in his friend's home</li> <li>Fodder is cultivated and purchased to supplement grazing</li> </ul>	<ul style="list-style-type: none"> <li>Home shelter not fit for winter-time accommodation</li> </ul>
H1	This herder has unused structures on site.	<ul style="list-style-type: none"> <li>Durghan Village, Lerik District</li> <li>Owner of residential plot measuring 0.1 ha</li> </ul>	<ul style="list-style-type: none"> <li>Crop farm measuring 2ha ha 3 km away from residence (Lerik District)</li> </ul>	<ul style="list-style-type: none"> <li>All of the livestock is herded on brother's pastoral land</li> <li>Fodder is purchased to supplement grazing (300 bundles per year)</li> </ul>	<ul style="list-style-type: none"> <li>Home animal shelter not fit for winter-time accommodation, and not sufficient for all stock.</li> </ul>
H2	This herder and his son stay at the project site for a period of approximately 6 months depending on the duration of the winter period. His wife visits the site once or twice a week to support in the chores.	<ul style="list-style-type: none"> <li>Ovchubere village, Bilasuvar District</li> <li>Owner of residential plot measuring 0.4 ha</li> </ul>	<ul style="list-style-type: none"> <li>Crop farm located 500 meters from residence, used for cultivating fodder</li> </ul>	<ul style="list-style-type: none"> <li>Pastural land plots are leased seasonally in Cellabad District and Salyan District</li> <li>1,000 bundles of fodder purchased annually</li> </ul>	<ul style="list-style-type: none"> <li>No livestock shelter at his home, he intends to make one but there isn't enough space (space for 5/6 cattle).</li> </ul>
H3	This herder and his son site stay at the project site for a period of approximately 6 months depending on the duration of the winter period. His wife stays for a period of 3 to 4 months to assist in the housekeeping.	<ul style="list-style-type: none"> <li>Soruschay Village, Lerik District</li> <li>Owner of residential plot measuring 0.04 ha</li> </ul>	<ul style="list-style-type: none"> <li>Crop farm measuring 1.2 ha 4 km away from residence (Shorschay District)</li> </ul>	<ul style="list-style-type: none"> <li>Pastural land plots are leased seasonally</li> </ul>	<ul style="list-style-type: none"> <li>He has no shelter on home plot</li> <li>He will need to purchase 2,500 fodder bundles each winter</li> </ul>
H4	He shared the same structures with his brother H5 (now demolished) but he spent approximately 6 months at the project site during winter.	<ul style="list-style-type: none"> <li>Molalan Village, Lerik District</li> <li>Owner of residential plot measuring (inherited) measuring 1 ha</li> </ul>	<ul style="list-style-type: none"> <li>Crop farm measuring 1.2 ha 5 km away from residence (Lerik District)</li> <li>They use it for wheat calculations</li> </ul>	<ul style="list-style-type: none"> <li>Leased grazing land 50 km from home</li> <li>No other source of feed</li> </ul>	<ul style="list-style-type: none"> <li>Temporary livestock shelter on home plot can only accommodate 5/6 cattle</li> </ul>
H5	Permanently stayed at the project site with his wife.	<ul style="list-style-type: none"> <li>Bilasuvar District</li> <li>They do not have any residential property</li> </ul>	<ul style="list-style-type: none"> <li>No other property</li> </ul>	<ul style="list-style-type: none"> <li>He used the winter pastures all year round</li> <li>He purchased 500-600 fodder bundles to supplement feed annually</li> </ul>	<ul style="list-style-type: none"> <li>No other plot</li> </ul>
H6	Stays at the project site for approximately 6 months depending on the duration of the winter period.	<ul style="list-style-type: none"> <li>Molalan Village, Lerik District</li> <li>They own residential property (0.01 ha)</li> </ul>	<ul style="list-style-type: none"> <li>Crop farm measuring 3 ha 4 km away from residence (Lerik District)</li> </ul>	<ul style="list-style-type: none"> <li>Leased grazing land</li> <li>They supplement with 500-600 bundles of fodder annually</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient livestock shelter on home plot for only 5/6 cattle</li> <li>Not fit for winter</li> </ul>
H7	Stays at the project site for approximately 6 months depending on the duration of the winter period	<ul style="list-style-type: none"> <li>Zövne Village, Lerik District</li> <li>They own residential property (0.16 ha)</li> </ul>	<ul style="list-style-type: none"> <li>Crop farm measuring 3 ha 1 km away from residence (Lerik District)</li> </ul>	<ul style="list-style-type: none"> <li>Leased grazing land, 10 km from home</li> <li>He supplements with 1,000 bundles of fodder</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient livestock shelter on home plot with capacity for just 50 sheep, 25 goats, 4 cattle.</li> </ul>
H8	The herder and his son stay at the project site for approximately 6 months depending on the duration of the winter period. His wife visits him one to two times a week to support in housekeeping and cleaning activities.	<ul style="list-style-type: none"> <li>Askerabat Village, Bilasuvar District</li> <li>They own residential property (0.08 ha)</li> </ul>	<ul style="list-style-type: none"> <li>Crop/ fodder farm measuring 3 ha 10 km away from residence (Bilasuvar District)</li> </ul>	<ul style="list-style-type: none"> <li>Leased grazing land</li> <li>He supplements with 1,000 bundles of fodder</li> </ul>	<ul style="list-style-type: none"> <li>He does not have any livestock shelter on residential land.</li> </ul>
H9	He stays at the project site for a period of 6 months depending on the duration of winter. His wife and mother visit the structures about once or twice a week to	<ul style="list-style-type: none"> <li>Kirmandali Village, Bilasuvar District</li> <li>They own residential property (0.08 ha)</li> </ul>	<ul style="list-style-type: none"> <li>Crop/ fodder farms measuring 2 ha, 5km from home plot (Bilasuvar District)</li> </ul>	<ul style="list-style-type: none"> <li>Leased grazing land</li> <li>They supplement with 700 fodder bundles a year</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient livestock shelter on home plot with capacity for 4 cattle.</li> </ul>

PAP CODE	USE OF STRUCTURES ON SITE	PRIMARY RESIDENTIAL AREA	ACCESS TO OTHER LAND	WHERE STOCK IS KEPT IN THE SUMMER	LIMITATIONS FOR LIVESTOCK ASSETS ON OTHER PROPERTY
	support him in housekeeping and cleaning activities.				
W1	Has no residence on site but works for H6 who has structures at the project site. This worker resides at H6 structures for approximately 6 months before moving to the summer pastures.	<ul style="list-style-type: none"> <li>Durghan Village, Lerik District</li> <li>They own residential property (0.07 ha)</li> </ul>	<ul style="list-style-type: none"> <li>Crop/ fodder farms measuring 2.8 ha, 5km from home plot (Lerik District).</li> </ul>	<ul style="list-style-type: none"> <li>Leased grazing land, 7 km from their residential area .</li> <li>They supplement with 1,000 bundles of fodder.</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient livestock shelter on home plot with capacity for 15 cattle</li> <li>Not fit for the winter</li> </ul>
W2	Stays for approximately 6 months at the structures owned by H7 (his employer). He then moves the livestock to summer pastures.	<ul style="list-style-type: none"> <li>Evile Village, Lerik District</li> <li>They own residential property (0.1 ha)</li> <li>He does not have livestock at the project site.</li> </ul>	<ul style="list-style-type: none"> <li>Crop/ fodder farms measuring 1 ha, not used.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient livestock shelter on home plot with capacity for 10 cattle</li> </ul>

Figure 6-1 Some photos shared by herders from their summer pastures (photos shared by herders on 4<sup>th</sup> October 2024)



H4 at his summer grazing site



H7 at his summer grazing site



H9 at his summer grazing site

Based on the information provided by the herders and workers, it can be concluded that they all have primary homes outside of the project site apart from H5 who permanently lives within the project site. As currently assessed, only H5 is considered physically displaced while the other herders and workers will only be economically displaced. However, these herders and workers will require to be provided with support to ensure that their grazing activities are not disrupted during the winter period when they cannot access the site. In addition, there will be a requirement for the project to either construct and/or reinforce the animal structures in their primary homes to make them suitable for winter use. The conditions of the primary homes and livelihood situation of the herders and workers (apart from H5 and his wife) as well as adequacy of the intended interim support measures will be additionally ascertained (refer to the CAP-table 8-1).

The above impacts and the corresponding entitlements will be included in the updated draft RAP for the project including the following key requirements:

- Compensation for affected assets and transitional allowance.
- Provision of animal fodder during winter period of six months, for a period of three years.
- The project will facilitate and support in the process of securing alternative land, selected by each herder, with secured tenure. This will include all fees, auction, land registration related fees in relation to the replacement land.
- All the PAPs will be eligible for the livelihood restoration initiatives which will be inclusive and tailored towards the needs of the PAPs including women and the youth.

#### 6.4.1 Allocation of replacement land for FH1

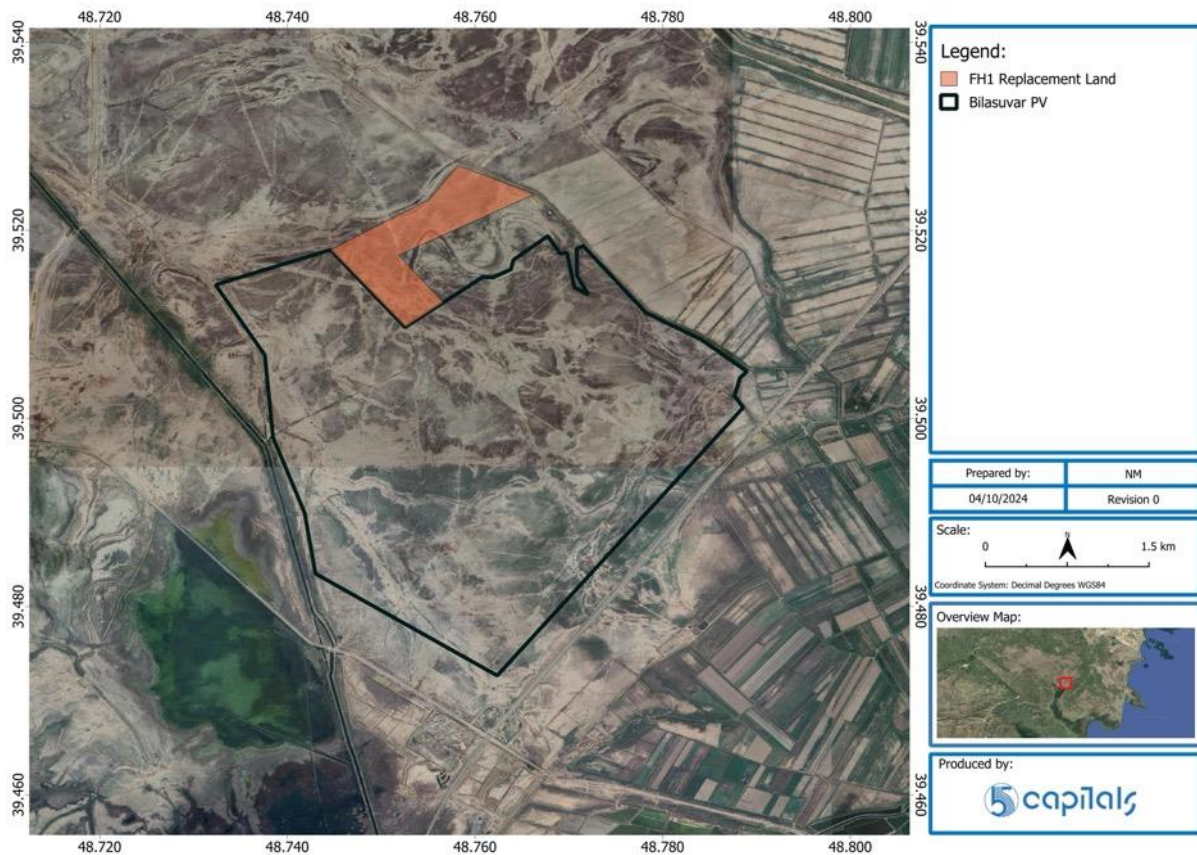
The land allocated to the project and near the project is under state land reserve under the Executive Power Committee of Bilasuvar. According to the Land Lease Law, the leasing of state land follows the following process:

- The person who wishes to lease a plot of land owned by the state shall apply to the relevant district Executive Power (in this case Bilasuvar Executive Power) through the Electronic agricultural Information System ([www.eagro.az](http://www.eagro.az)) operated by the Ministry of Agriculture.
- The application is then channelled through Executive Power Committee which is responsible for reviewing the application within 10 days of the online application. If this meets their requirements, the Committee forwards the application and LLA request to the State Service Property Department.
  - In relation to FH1, this request was sent to the department on 29<sup>th</sup> December 2023 and consent to allocate the land was obtained.
- After consent is obtained from the State Service Property Department, the Land Lease Law requires the city or district Executive Power to sign an agreement with the applicant.

- The process of signing a lease agreement between Bilasuvar Executive Power and FH1 is currently on-going.
- Since this is state land, it will not undergo through an auction process and the lease will be signed directly with the herder.

The location of the 110ha replacement land is located next to the project site as shown in figure 6-1 below. Consultations undertaken with the Executive Power revealed that this land is of the same grazing quality as the land located within the project boundaries. In addition, FH1 visited the land on 2<sup>nd</sup> September 2024 and confirmed that the replacement land was suitable for use as grazing land. The land is located next to the E119 highway which ensures accessibility.

**Figure 6-2 Location of FH1 110ha replacement land**



## 6.5 Vulnerability Assessment

A vulnerability assessment has been undertaken and is being incorporated in the draft RAP based on the criteria of those suffering from disabilities, the elderly (over 60 years), those without any land use rights, natural resource-based livelihoods (herding of livestock) being the main source of the household income.

It is noted that the winter grazing season is about to commence, and herders will be coming back to the project site from their summer pastures. In the absence of the timely completion,

approval and implementation of the RAP (which is currently in the draft stage), these PAPs livelihoods and residences could be disrupted leaving them worse off than they were before the project.

During the SCA site visit, it was identified the vulnerability of some herders such as H5 and his wife MH6 has been heightened due to the impacts resulting from the issuance of the notification letter to leave the site by 1<sup>st</sup> September 2024 (now rescinded). Their current living conditions are considered inadequate and lack basic amenities such as safe clean drinking water, sanitation etc. Additionally, H7 and H9 have also experienced displacement after they demolished their structures, and they can therefore not return to the project site.

Based on the assessment above, all the 74 PAPs are considered vulnerable. This is because an impact on the household income (which is primarily from herding activities) will have a cascading effect on the ability of the PAPs households to meet their needs leaving them worse off than they were before the project.

The vulnerability criteria above, triggered by the issuance of the notification letter to leave the site (now rescinded) is being assessed and will be reflected in the draft RAP. This also includes the assessment of the impacts on the herders who have demolished their structures and are either physically and/or economically displaced (H5, H7 and H9).

## 6.6 Impacts before the Implementation of the RAP

During the consultations undertaken with the Executive Power and some PAPs on 20<sup>th</sup> August 2024, it was revealed that letters dated 15<sup>th</sup> August 2024 had been issued by the Executive Power instructing the PAPs to leave the project site before 1<sup>st</sup> September 2024 (ref. Appendix A). The Executive Power stated that they were still trying to identify alternative land for the PAPs, but no additional support or compensation was to be provided before 1<sup>st</sup> September 2024. Based on this, 5 Capitals reached out to all the PAPs to determine who had received this letter, when it was received and if any explanation was provided by executive power officials who delivered the letter.

### 6.6.1 Notification issued to the PAPs

5 Capitals reached out to all the PAPs during the two site visits undertaken between 21<sup>st</sup> and 31<sup>st</sup> August 2024, to confirm whether they had received the letter from Executive Power notifying them to leave the project site by 1<sup>st</sup> September 2024. The outcome of the consultations is summarised in the table below.

**Table 6-5 Timeline when the notification letters were issued to PAPs**

PAP CODE	DATE OF ISSUE FOR THE NOTIFICATION LETTER	METHOD OF NOTIFICATION
FH1	This PAP was a former legal lease holder, and the Executive Power is in the process of finalising the	N/A

PAP CODE	DATE OF ISSUE FOR THE NOTIFICATION LETTER	METHOD OF NOTIFICATION
	allocation of 110ha replacement land (to replace what was affected by the project). As such, he did not receive the letter from Executive Power.	
H1	23 <sup>rd</sup> August 2024.	Via mail
H2	This herder was not certain when he received the letter, but he stated it was either on 22 <sup>nd</sup> or 23 <sup>rd</sup> August 2024.	Collected the letter at Executive Power office.
H3	Verbal notification 22 <sup>nd</sup> August 2024	He was given a verbal notification because he declined to go and collect his letter from Executive Power offices.
H4	This herder stated that he did not receive the letter, but he received a verbal notification sometime in August 2023 though he was not sure about the exact dates.	Collected the letter at Executive Power office.
H5	15 <sup>th</sup> August 2024. This notification would have also applied to H4 above as he uses the same grazing area and land as his brother H5.	
H6	23 <sup>rd</sup> August 2024	Collected the letter at Executive Power office.
H7	22 <sup>nd</sup> August 2024	Via mail .
H8	15 <sup>th</sup> August 2024	Via mail .
H9	15 <sup>th</sup> August 2024	Via WhatsApp message .
W1	The workers did not receive any notification letters as they work under H6 and H7.	N/A
W2		

Based on the above, the PAPs received the notification letters or verbal notices between 15<sup>th</sup> to 23<sup>rd</sup> August 2024 notifying them to vacate the site. This would mean the PAPs had between 2 weeks (H5, H4, H8, H9) and 1 week (H1,H2,H3,H6, H7) to vacate the site by 1<sup>st</sup> September 2024.

Based on the consultations undertaken with the herders in August 2024, it was established that none of them had challenged the termination of their land leases in court (refer to section 6.3) as provided for in the law on Land Lease, and therefore the terminations between 2016 to 2019 are still considered effective. As such, the notification from Executive Power to vacate the site was issued on the back of these terminations that happened through court resolutions as per the Law on Land Lease.



### 6.6.2 Actions undertaken by the PAPs after receiving the notification letter

Due to the stated 1<sup>st</sup> of September 2024 notice in the letter to leave the site, some of the herders began the process of demolishing their structures and relocating from the site. The summary of the actions taken by the herders is provided in the table below.








**Table 6-6 Summary of actions taken by the herder**


PAP CODE	ACTION TAKEN	CURRENT PHOTOS OF THE HERDERS' ASSETS	IMPACT HAS OCCURRED?
FH1	This herder did not receive the notification letter and as such no action was taken. He is currently waiting for the allocation of 110ha replacement land.	N/A	No
H1	<ul style="list-style-type: none"> <li>The consultations with this herder and his wife revealed that they had not started to demolish their unused structure from the project site. Additionally, they had not been provided with any support from the government.</li> <li>The notification letter had not affected their grazing activities because his brother W1 was using the summer pastures (away from the site).</li> <li>H1 stated that he had made a verbal application to Bilasuvar district asking for allocation of land, but this had not occurred. The project's social team informed him that application for land must be within the established system (which he confirmed to be familiar with).</li> <li>Him and his wife requested for alternative land to be provided as they rely on grazing as their source of income and their age does not allow for them to explore other alternative jobs.</li> </ul>	 <p>This is the unused structure owned by H1 and it has not been demolished.</p>	No
H2	<ul style="list-style-type: none"> <li>H2 has not demolished his structures but he planned to take the roof materials back to his residential home and construct a livestock shelter there.</li> <li>He stated that he had made a verbal application with Bilasuvar district on the allocation of alternative land. The project's social team informed him that application for land must be within the established system (which he confirmed to know about).</li> <li>Additionally, he stated that he was looking to rent land from other herders, but this would be expensive and difficult to find. He was also looking to start applying for land in other districts outside of Bilasuvar.</li> </ul>	 <p>These are the structures owned by H2 and they have not been demolished.</p>	No

PAP CODE	ACTION TAKEN	CURRENT PHOTOS OF THE HERDERS' ASSETS	IMPACT HAS OCCURRED?
	<ul style="list-style-type: none"> <li>• He stated that grazing is his family's main source of income, and they do not have income alternatives in his village.</li> </ul>		
H3	<ul style="list-style-type: none"> <li>• H3 has not demolished any of his structures on site.</li> <li>• He has also made a verbal application to Bilasuvar district asking for new land to be allocated to him. He stated that he did not know what the land application process was (this information was provided to him by the social team).</li> <li>• He stated that there had not been any impact on his grazing activities as his livestock were using the summer pastures. However, lack of access to the site would mean he would have to look for alternative winter pastures.</li> <li>• He stated that his and his wife's age means that they are not able to get other jobs because grazing is their main source of income.</li> </ul>	 <p>H3 structures are still in place, and they have not been demolished.</p>	No
H4	<p>This herder shares the structure and grazing area with his brother H5 (see more details below). He stated that there was no impact from the issuance of the letter as his livestock were still at the summer pastures.</p>	<p>Refer to the photos under H5 below</p>	<p>Yes, based on the demolition undertaken by his brother H5</p>
H5	<ul style="list-style-type: none"> <li>• H5 and his wife MH6 started the demolition of their structures on 15<sup>th</sup> August 2024. The herder stated that this impacted his primary residence and the livestock shelter, but some structures remain at the project site. H5 noted that Executive Power had made an offer to demolish the structures on his behalf, but he declined.</li> <li>• During the consultations H5 and MH6 stated that it took 4 days to demolish and salvage some of the construction materials through the help of family and friends.</li> <li>• The salvaged materials were transported to a temporary grazing 20ha land allocated to him by the Executive Power for approximately 400 AZN.</li> </ul>	 <p>H5 demolished his structures from the site</p>	Yes

PAP CODE	ACTION TAKEN	CURRENT PHOTOS OF THE HERDERS' ASSETS	IMPACT HAS OCCURRED?
	<ul style="list-style-type: none"> <li>• Presently, this herder is living on a 20ha of land in a repurposed van structure, and he has also built a temporary animal shelter for his livestock. This land is still within Bilasuvar district and close to the proposed project site. This land belongs to another herder who is understood from Executive Power to have a legal land use and H5 can only stay at this location on a temporary basis (see section 6.6.5 for the corrective actions taken by the project).</li> <li>• A site visit to H5 &amp; MH6 relocation area revealed that the temporary living arrangements do not meet adequate housing requirement, and they do not have access to proper sanitation, clean and safe drinking water and lighting. MH6 also stated that the temporary shelter they are living in is hot and there are a lot of insects.</li> <li>• There is difficulty in accessing water for the livestock.</li> <li>• H5 also stated that the grazing land within the 20ha land was the same as that at the project site but without their residence and animal shelters that they had established.</li> <li>• H5 also revealed that they had made an application of an 80ha of land through the support of the Executive Power. However, the uncertainty on the availability of the 80ha replacement land is what necessitated the project design to be updated leaving approximately 250ha of land undeveloped. As such, H5 and his wife will be relocated here (see section 6.6.5 below).</li> <li>• H5 and MH6 stated that leaving the site had been difficult for them and had affected their finances and their current living conditions were not good.</li> </ul> <p>(See actions taken by the project further below).</p>		

PAP CODE	ACTION TAKEN	CURRENT PHOTOS OF THE HERDERS' ASSETS	IMPACT HAS OCCURRED?
H6	<ul style="list-style-type: none"> <li>H6 and his wife stated that they had not begun demolishing the structures within the project site.</li> <li>He made a request to the project developer to have a phased construction process until the herders can find alternative winter grazing areas.</li> <li>H6 and his wife stated that they had made an application for land for a period of 15 years, but this application was still under review. However, if the land is not available, they would be forced to sell their livestock and stop grazing.</li> <li>The herder stated that they are anxious about having to leave the site as it will be difficult to start a new livelihood because it is difficult to start a new business in their home village as the customer base is limited.</li> <li>H6 stated that he hoped they would get support from the government and the project developer so that their livelihood is not impacted.</li> </ul>	 <p>H6 structures are still in place.</p>	No
H7	<ul style="list-style-type: none"> <li>H7 and his son and wife stated that the livestock shelter and some sections of the storage area have been demolished.</li> <li>The herders stated that due to his age, he allowed a relative to undertake the demolitions and salvage any materials he could. However, the remaining structures and any salvaged materials may not be of use for him as they cannot be resold.</li> <li>This herder has made a verbal application for land (about 50ha), but he has not made the application through the system as required by the land code. He also stated that he knows how to make an application for land through the government system.</li> <li>H7 stated that lack of alternative land would mean that he would have to sell his livestock, and they do not have viable options to start alternative livelihoods.</li> <li>Further consultations undertaken with this herder on 2<sup>nd</sup> October 2024, revealed he is not planning to return to the</li> </ul>	 <p>H7 started the demolition of his structures</p>	Yes

PAP CODE	ACTION TAKEN	CURRENT PHOTOS OF THE HERDERS' ASSETS	IMPACT HAS OCCURRED?
	<p>project site as he does not consider the remaining structures to be suitable for his winter grazing activities.</p> <ul style="list-style-type: none"> <li>The herder also stated that his livestock is currently in Semeguni for summer pastures until end of October or early November (depending on the weather).</li> <li>W2 is with the livestock at the summer pastures.</li> <li>He stated that he has not made any arrangements for winter grazing, and he was hoping that the compensation would be paid on time.</li> </ul> <p>Based on the above, this herder is going to receive interim support to ensure there is no disruption in the herding activities once he is back from his summer pastures (see CAP in table 8 for more details)</p>		
H8	<ul style="list-style-type: none"> <li>He received the notification letter on 15<sup>th</sup> August 2024.</li> <li>This herder has not demolished any of his structures.</li> <li>He stated that he would need support if he is required to demolish his structures and salvage any materials.</li> <li>Consultations undertaken with H8 on 2<sup>nd</sup> October 2024 reveal that he is currently back at the project site as he is being paid to look after some of the geotechnical equipment that has been set up on site as part of the technical studies.</li> <li>He will be able to use the site until the end of November 2024 (see 6.6.8 below for more details)</li> </ul>	 <p>H8 has not started the demolition of his structures</p>	No

PAP CODE	ACTION TAKEN	CURRENT PHOTOS OF THE HERDERS' ASSETS	IMPACT HAS OCCURRED?
H9	<ul style="list-style-type: none"> <li>This herder demolished the structures on 27<sup>th</sup> and 28<sup>th</sup> of August 2024. This took 2 days with the help of his friend.</li> <li>He stated that he had not made an application for new land, and he did not know how to make an application through the government system.</li> <li>If no alternative land is available, he would sell some of his livestock and look for alternative winter grazing land for the remaining livestock. In follow up consultations on 2<sup>nd</sup> October 2024, the herder stated that he intends to lease another winter structure if he receives his compensation on time. If not, he will keep his livestock with a member of his extended family but this will result to additional costs in animal feed and land.</li> <li>Further consultations undertaken with the herder in October 2024 reveal that his livestock is still at the summer pastures located 30km from his home in Khirmandali. He also stated that the livestock will remain at the summer pastures until mid-November 2024.</li> </ul> <p>Based on the above, this herder is going to receive interim support to ensure there is no disruption in the herding activities once he is back from his summer pastures (see CAP in table 8-1 for more details)</p>	 <p>Demolition of H9 structures</p>	Yes

All the herders who have not experienced displacement (apart from H5, H7 and H9) have been provided with an extension to access and use the site until end of November 2024. This is further detailed in the section below.

Based on the above, H5 and his wife MH6 have relocated to a shelter on a piece of land outside of the project site (across the main road). Their current living conditions are considered inadequate which makes them particularly vulnerable. In addition, H7 and H9 have been displaced from the site while the others H1, H2, H3, H6, H8, W1 and W2 have not been displaced and still have access to the site.

Based on the outcome of consultations with the herders who had started demolition of their structures on site, it was revealed that no government representatives (including those from Executive Power) and no enforcement authorities had been present during this process. Instead, they mobilised the help of family and friends to support in the demolition process and paid for the transportation of the salvaged materials.

Based on Masdar's commitment to align with the lenders requirements of ensuring compensation and entitlements are provided before displacement, consultations were undertaken with the government with an aim to have the notification letter rescinded (see section 6.6.4 below for more details). As an outcome of these consultations, Masdar's CLO contacted all the herders via telephone on 28<sup>th</sup> August to inform them that the notice to leave the site by 1<sup>st</sup> September 2024 had been rescinded. Additionally, a meeting was held on 30<sup>th</sup> August between the representatives from Ministry of Energy, Executive Committee, Masdar, 5 Capitals and the PAPs. During this meeting, an official letter was issued to each herder and their workers (apart from H2 who didn't attend the meeting) stating that the order to vacate the site by 1<sup>st</sup> September 2024 had been rescinded (see Appendix B). 5 Capital's team later called H2 and informed him of the outcome of the meeting. The outcome of this meeting is provided in section 6.6.4 below.

It is noted that some herders (H5, H7 and H9) demolished their structures before receiving the call from Masdar's CLO on 28<sup>th</sup> August 2024 and attending the meeting on 30<sup>th</sup> August 2024, where the notification letter was rescinded. When consulted, these herders stated that they made a voluntary decision to demolish their structures as they did not want to wait until the last minute to do so. In contrast, herders who were mostly in their summer pastures outside the project site at the time did not demolish their structures. Therefore, it is understood that the decision on the demolition of structures was based on their availability when the notice was issued, and there was no coercion or intimidation on the part of authorities during the process of demolition (H5, H7, H9) and relocation (H5).

Based on the process undertaken by the government, the following gaps were identified in relation to ADB's requirements:

- The preparation of the draft RAP is still on-going and disclosure of the entitlements and compensation packages to the PAPs had not occurred. In addition, the PAPs had not received their entitlements.
- Physical and economic displacement of H5 and his wife MH6 occurred before compensation was provided at full replacement cost including other entitlements.



- Economic displacement occurred to H7 and H9 before compensation was provided at full replacement cost including other entitlements.
- The PAPs received between one to two weeks' notice to vacate the site which is not considered sufficient for the herders and their workers to transition into other areas.
- No support was provided to the herders all of whom are considered as vulnerable to ensure they are not worse off because of the project.
- The project has not implemented the required livelihood restoration programs for the PAPs.
- No support measures was envisaged for workers who will also be significantly affected on return from summer pastures.

To ensure compliance with the lenders requirements, the project has undertaken the corrective actions below.

### 6.6.3 Corrective Actions taken by the Project Developer

It is understood that the notification letters were issued by the Executive Power without the knowledge of Masdar who have expressed their commitment to aligning with the lenders requirements and respecting the rights of the PAPs. Based on this, Masdar undertook the following immediate actions:

- Consultations were undertaken with the government to inform them that the lenders' land acquisition processes were still on-going, and compensations and other entitlements packages had not been disclosed or paid to the PAPs. Consequently, no displacement should occur, and the letter issued to PAPs needed to be rescinded.
- Masdar's CLO contacted the herders on 28<sup>th</sup> August to inform them that the notice to leave the site by 1<sup>st</sup> September 2024 had been rescinded.
- Consultations began with H5 to provide him and his wife emergency housing (see further details below).
- Masdar's social consultant (5C) scope was extended to include additional site visit (undertaken between 28<sup>th</sup> to 31<sup>st</sup> August 2024) to identify the impacts of the letters issued by the Executive Power so that these can be further assessed and corrective action taken.
- A meeting was organised on site on 30<sup>th</sup> August 2024 between the PAPs and representatives from the Ministry of Energy, Executive Committee, Masdar and 5 Capitals to provide details about the project, on-going RAP process and the project implementation timeline.
- Masdar CLO is required to undertake on-going consultations (and site visits) with the PAPs.
- In addition, the option for providing alternative housing and grazing land is currently being assessed in consultation with the PAPs.

#### 6.6.4 Rescinding of the notification letter

A meeting was held on 30<sup>th</sup> August 2024 between the PAPs, representatives of the Ministry of Energy, Executive Committee, Masdar and 5 Capitals. The purpose of the meeting was as follows:

- To issue the official letter rescinding the 1<sup>st</sup> of September 2024 notice to vacate the project site.
  - FH1, H8, H3, W1, W2, H5, H4 and H9 attended the meeting in person while H7 was represented by W2, H1 was represented by his brother W1, and H6 was represented by his father. It is noted that H2 did not attend the meeting, but 5 Capitals social team called to inform him regarding the outcome of the meeting.
  - A copy of the letter stating that the PAPs could use the site until 1<sup>st</sup> November 2024 was issued to the PAPs.
  - To ensure sufficient time to undertake the corrective actions required for the project, the 1<sup>st</sup> of November 2024 notice has been extended to 30<sup>th</sup> November 2024. As a result, the PAPs that have not experienced displacement can still access and use the site (see section 6.6.8) for more details.
- Provide the PAPs with details of the grievance mechanism and the principles that govern it. For instance, no retaliation to grievant etc.
- Provide an update to the PAPs on the on-going RAP process including the assessment of impacts and determination of the compensation packages and other entitlements.

The key actions from this meeting include:

- The compensation and entitlements would be disclosed and disbursed to the PAPs before their relocation from site. This would be undertaken by 1<sup>st</sup> of November 2024.
  - See section 6.6.7 on the outcome of the preliminary compensation package disclosure process undertaken between 21<sup>st</sup> to 26<sup>th</sup> September 2024.
- Executive Power would undertake a site visit with FH1 to show him the boundaries of the 110ha replacement land that was going to be allocated to him.
  - This action was completed on 2<sup>nd</sup> September 2024 based on the feedback received from the PAP.
- Executive Power in coordination with Masdar will verify the boundaries of the 188ha land leased to H8 in relation to the project boundaries.
  - Additional consultations undertaken by Masdar's CLO with the Executive Power in September 2024 revealed that H8 lease agreement was terminated on April 20<sup>th</sup>, 2018, and as such he was also an informal land user. It is noted that the Executive Power has not been able to determine the boundaries of the 188ha of land, but it is assumed that it will be impacted by the project development and the impacts have been assessed in the updated draft RAP.
  - The Executive Power provided a figure on 2<sup>nd</sup> of October 2024 showing that the land previously allocated to H8 is within the project site. However, the exact

- coordinates have not been provided and consultations are still on-going between Masdar's CLO and Executive Power to establish these exact coordinates so that they can also be provided to H8.
- The assessment of the impacts on H8 structures and grazing land have been assessed for the draft RAP.
  - Executive Power will fast track the allocation of the 67ha of land to H5 and 20ha to H9.
    - Additional consultations undertaken by Masdar's CLO with H5, and his wife revealed that H5 had rejected the 67ha of land because it is not easily accessible, and it lacks availability of water for his livestock.
      - Based on the above, Masdar has updated the project design which leaves approximately 250ha of land undeveloped and H5 and his wife will be relocated to this site (see section 6.6.5 below for more details).
    - Executive Power has not provided any further direction on whether the 20ha of land will be available to H9 or not. As such, the project will be required to undertake corrective actions to ensure that this herder is not worse off because of the impacts.
  - Masdar would provide support to the PAPs in transporting the salvaged materials from the project site.
    - The impacts that have occurred have been assessed for the updated RAP.

#### 6.6.5 Current situation of Herder 5 & His Wife MH6

As discussed above, H5 and his wife MH6 are currently living in a repurposed structure which does not meet the requirements for adequate living standards. They have relocated to a site across the proposed project site. It is noted that this land is already allocated to another herder and therefore H5 and his wife will be required to move eventually. Based on this, and to ensure the security of tenure, the project has consulted with the herder to determine the best option for providing him with adequate housing as provided in the section below:

- The project will identify a suitable accommodation in the area which will include livestock shelter. The project would pay for its rent.
- H5 and his wife should identify a suitable accommodation option, and the project would pay for the rent.
- The project will provide a prefabricated accommodation which would be transported to the site since the Land Code does not allow for permanent structures to be established within grazing land.

Based on the options above, the herder and his wife stated that they prefer for the prefabricated accommodation which would also allow them to stay within the grazing area. Due to the knowledge that the provision of the prefabricated accommodation would take considerable procurement and transportation time, the project is undertaking the following immediate actions to improve the living conditions of the PAP:

- Provision of a bio-toilet which will include provision of collection services.

- Provision of 80lt of potable water per week.
- Provision of 2 water trucks per week for his livestock.
- Provision of solar panel for lighting purposes.

In addition to the above, the project is also undertaking the following interventions to ensure that H5 and his wife are provided with adequate housing. The provision of the prefabricated accommodation is summarised in the table below.

**Table 6-7 Next steps in providing the prefabricated accommodation**

ELEMENT	COMMENT	UN ADEQUATE HOUSING CRITERIA	TIMELINE FOR PROVISION
Location for H5 & his wife MH6	The herder will be relocated back to the project site in the next three weeks. Masdar has updated the project layout which leaves the east side undeveloped (see discussion below on the layout updates)	Security tenure of	The redesignation of land from state industrial land to agricultural land will take approximately 6 to 7 months. However, the herder will already be relocated to the site while this process is happening. The project will cover the relocation costs.
Prefabricated accommodation	The total size of the accommodation is 12*3m and this will include a kitchen area, and basic furniture. It will also include electrical wiring and main switch on plug. There will also be an AC and electric stove included.	habitability	3 weeks to be procured and transported to the project site.
Sanitation	The prefabricated accommodation will include a septic tank and shower area.	Availability services of	3 weeks
Potable water	The project will continue to provide potable water for the herder for the next 3 months.	Availability services of	For the next 3 months
Water for livestock	2 water trucks will be provided twice a week for the next three months	Availability services of	For the next 3 months
Connection to the grid	The herder will still have access to the solar panel provided. However, Masdar will consult with the relevant authorities so that the prefabricated accommodation can be connected back to the grid. The cost of connection will be covered by the project.	Availability services of	3 weeks
Energy for cooking	The herder and his wife used a wooden stove for cooking which is still available to them. In addition to this, the	Availability services of	Provided as part of the prefabricated accommodation in the next 3 weeks.

ELEMENT	COMMENT	UN ADEQUATE HOUSING CRITERIA	TIMELINE FOR PROVISION
	prefabricated accommodation will come with an electric stove.		
Heating	There was no heating in the house previously owned by the herder. It is noted that the prefabricated accommodation comes with wall and roof insulation.	Availability of services	Provided as part of the prefabricated accommodation in the next 3 weeks.
Location	The herder and his wife will be relocated back to the project area (the area that will not be developed) which is easily accessible to the main highway. This will provide them with access to social facilities such as health care, markets etc.	Location	In 3 weeks once they are relocated back to site.

**Figure 6-3 Example photos showing how the prefabricated accommodation looks like**



### 6.6.5.1 Update of the project layout

Due to the challenges experienced in identifying suitable replacement land Masdar has updated the project layout. The updated layout includes the optimisation of the space within the project boundaries resulting to less land being required for the project development as shown in figure 6-3 below. Based on this, the following actions will be implemented:

- H5 and his wife will be relocated back to the east of the project site because this will not be developed as part of the project.
  - This land will be approximately 250ha.
- Masdar has engaged the MoE and Executive Power to redesignate the land that will not be developed back to grazing land after which, a lease can be issued to H5 to be able to use the land as a formal land user.

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- This process of redesignating the land back to grazing land will take approximately 6 to 7 months, but this will not hinder the herder from being relocated back immediately.

Figure 6-4 Project layout (August 2024)

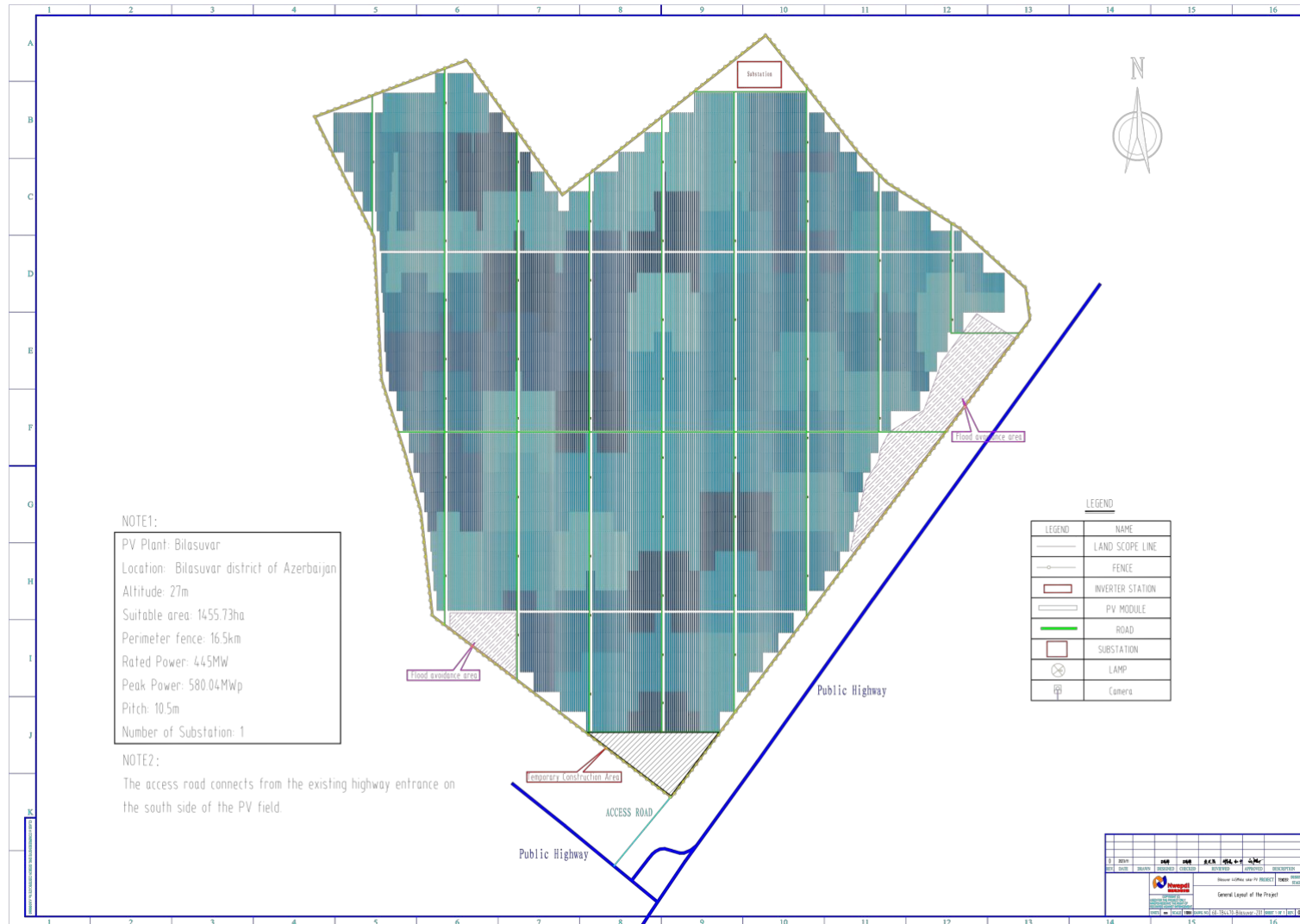
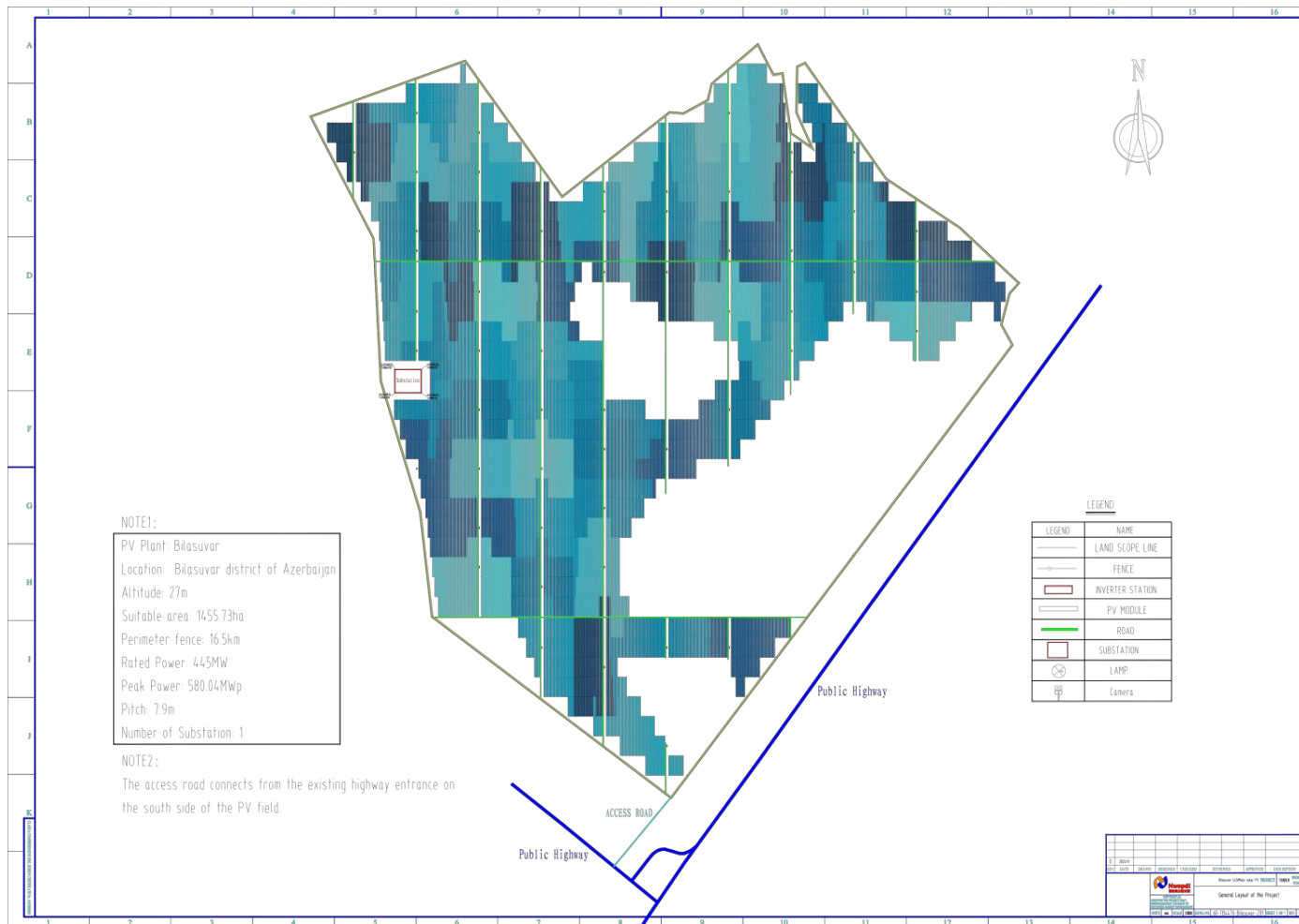


Figure 6-5 Current indicative project layout (September 2024)





#### 6.6.6 Provision of land for other herders

Consultations are on-going between Masdar and the government on a possibility to allocate alternative land on a temporary basis for the affected informal herders. However, since this is yet to be confirmed, Masdar is committed to provision for animal fodder during the winter period as a guaranteed interim solution (refer to the CAP in table 8-1 below).

#### 6.6.7 Disclosure of compensation packages to PAPs

The disclosure of the preliminary compensation individual packages to the PAPs has been undertaken based on the table below. Consultations undertaken included the discussion of the cash compensation in relation to assets, livestock feed and subsistence allowance (see table 6-8 for more details). The PAPs were also informed that this was the first phase of their entitlements (cash compensation) disclosure and additional meetings would be held to discuss the other entitlements and their feedback sought on the same.

Following further review of the on-going impacts (CAP action 1 in table 8-1) and the update of the draft RAP, specifically its entitlement matrix, the updated compensation packages will be developed and presented to the affected people. Additionally, the PAPs will be engaged in finalising the livelihood restoration strategies to be implemented by the project.

**Table 6-8 Disclosure schedule for the preliminary compensation packages to PAPs and summary of outcomes**

PAP CODE	DISCLOSURE DATE	VENUE	REMARK	SUMMARY OF FEEDBACK FROM PAPs
H5 & his wife MH6 (impact has occurred)	21 <sup>st</sup> September 2024	Relocation site	The disclosure of the package was undertaken in the presence of the herder and his wife.	<ul style="list-style-type: none"> <li>However, a grievance was received from him on 27<sup>th</sup> October asking for clarification on why his compensation was lower compared to other herders and he had more structures. This grievance was acknowledged and logged and is currently being resolved through the GRM.</li> </ul>
H9 in the (impact has occurred)	21 <sup>st</sup> September 2024	At his primary residence in Kirmandalı Village	Disclosure occurred in the presence H9, his wife and mother.	<ul style="list-style-type: none"> <li>He stated that he would like to receive his compensation as soon as possible as he wanted to start preparing for the winter season.</li> </ul>
H7 (impact has occurred)	26 <sup>th</sup> September 2024	Zövne Village	The disclosure occurred at his home in Sumgayit village in the presence of his spouse.	<ul style="list-style-type: none"> <li>He asked for clarification on whether the area where he cleans his sheep had been included in the compensation package. He was informed that this would be checked against the inventory record and a response will be provided to him. This was recorded as a grievance that is currently being addressed.</li> </ul>
H6	24 <sup>th</sup> September 2024	Molalan Village	The disclosure occurred in the presence of his father and spouse.	<ul style="list-style-type: none"> <li>He asked for support in finding suitable alternative land. He was informed that the project will facilitate and support this process.</li> </ul>
H4		Molalan Village	Disclosure occurred in the presence of his wife and mother. It is noted that H4 and H5 are brothers but the mother lives with H4	<ul style="list-style-type: none"> <li>H4 asked for support in securing alternative land for him and his brother H5.</li> <li>Consultations were also undertaken with their mother who</li> </ul>

PAP CODE	DISCLOSURE DATE	VENUE	REMARK	SUMMARY OF FEEDBACK FROM PAPs
				<p>stated that she has no objection with her sons (H4 &amp; H5) getting the compensation. She believes that the compensation will help H5 secure some funds to construct a new residence.</p> <ul style="list-style-type: none"> <li>She expressed concern that they did not have suitable winter shelters at their home to keep the livestock in winter.</li> </ul>
W1		Durghan Village	Disclosure occurred in the presence of his wife	He did not have any comments on the information provided but he was informed he can submit additional request for information or grievance through the GRM.
H1		Durghan Village	Disclosure occurred in the presence of his wife	He asked for the project to support him in identifying alternative land.
W2		Evile Village	Disclosure occurred in the presence of his wife	He did not have any comments on the information provided but he was informed he can submit additional request for information or grievance through the GRM.
FH1	25 <sup>th</sup> September 2024	Gunashli Village,	His spouse was not able to attend the meeting.	He suggested that he can support the project company in arranging events.
H2		Ovchubere village	In the presence of his spouse	He did not have any comments on the information provided but he was informed he can submit additional request for information or grievance through the GRM.
H8	26 <sup>th</sup> September 2024	Project site	His spouse was present during the disclosure	During the meeting he asked whether his bathroom had been recorded in the inventory. He was informed that

PAP CODE	DISCLOSURE DATE	VENUE	REMARK	SUMMARY OF FEEDBACK FROM PAPs
				this would be checked against the inventory records and a response would be provided to him. This was recorded as a grievance that is currently being addressed.

After the disclosure process, the PAPs were provided with a period of one week to review and provide comments and/or request for additional information in relation to their packages via the GRM contacts below.

**Table 6-9 Grievance Mechanism Contact Details**

COMPANY	CONTACT DETAILS
<b>Masdar</b> Yashar Godjayev – Community Liaison Officer	E-mail: <a href="mailto:ygojayev@masdar.ae">ygojayev@masdar.ae</a> Mob: +994 50 273 04 21
<b>5 Capitals</b> Sardar Huseynov – Social specialist	E-mail : <a href="mailto:sardarhuseyn@gmail.com">sardarhuseyn@gmail.com</a> Mob: +994 55 566 04 20
<b>5 Capitals</b> Vusala Rustamova – Social specialist	E-mail : <a href="mailto:vusala2013@gmail.com">vusala2013@gmail.com</a> Mob: +994 50 485 0531

### 6.6.8 Extension to use the site

As part of the on-going corrective actions, Masdar has extended the duration by which the PAPs can use and have access to the site until 30<sup>th</sup> November 2024. Based on this, all PAPs were contacted by 5 capitals social consultant on 2<sup>nd</sup> October 2024 informing them about the extension. The notification was undertaken via phone call since all the herders and workers have access to a phone.

This is in line with the 3 months notification required as part of the draft RAP entitlements for the PAPs who have not experienced displacement. In addition, this updated notification allows the project to implement the corrective actions as provided in Chapter 8 including the implementation of the compensation and other entitlements.

## 6.7 Methodology for Acquiring Land and Determination of Compensation

Based on review of the LLA documents provided to the project, only one of the herders (FH1) had a legal lease agreement terminated because of the project (partial termination for 110ha). The process of allocating replacement land to FH1 is currently on-going based on the law on Land Lease (refer to section 6.4.1 above).

The other lease agreements belonging to the rest of the herders were terminated between 2016 and 2019 (H2, H6, H7, H8, EXL1, EXL2, EXL3, EXL4) while that of Agro Technical LLC was terminated in early 2023. The termination of LLAs between 2016 and early 2023 was undertaken due to various reasons such as non-payment of land rent, violating LLA conditions etc.

To close the gaps between the project facilities and the lenders' requirements, surveys were undertaken for all PAPs as part of the draft RAP development. These included the collection of socio-economic data for the PAPs, census, inventory and valuation assets etc. The valuation process was undertaken by a valuator from PRIVAT Co. Firm who has a registration with the Ministry of Justice of Azerbaijan dated February 1999 (refer to Appendix C for his certificate. In addition, the entitlements for the affected assets have been determined using the 'full replacement cost'. The outcomes of these studies and assessments are currently being updated in the RAP.

Additional data was also collected during the SCA site visit which included the (i) identifying the historical land users, LLA history, size of their land plots and whether they still use the site, (ii) identifying and consulting with the spouses of the affected PAPs and members of their families that may be engaged in herding activities, (iii) determining whether there are any additional PAPs and whether they have assets not captured in the RAP surveys (iv) identifying PAPs impacted by the notification letters etc.

The audit was able to establish the following in relation to the notification letters issued by the government:

- The issuance of the notification letter to vacate the site by 1<sup>st</sup> September 2024, led to the displacement of the three informal herders (H5, H9, H7).
  - H5 and his spouse MH6 have experienced physical displacement after demolishing all their structures on site (see list of their structures in table 6-3) and they did not receive any type of compensation or support from the government.
  - H7 and H9 have demolished their structures and are therefore not able to return to the site even though the notice for relocating from the site has been extended to 30<sup>th</sup> November 2024 (see section 6.6.8 below).
  - In addition, workers of H7 and H9 are not able to return to winter grazing pastures either.

The additional impacts experienced by these PAPs will have to be assessed in the draft RAP and the applicable compensations determined in relations to their assets and the impacts that have occurred because of the displacement.

It is noted that the nearest community to the project site is located 8km from the project site and they none of the community members are using the site.

## 6.8 Status of Land Acquisition and Compensation Payments

The Executive Power has not undertaken any inventory or valuation of the structures within the project site as these are considered illegal. In addition, only FH1 is recognised as a formal land user as he had a LLA which was partially terminated (110ha) for the development of the project. In this case, the Executive Power has identified replacement land for FH1, and the process of signing the is currently on-going.

It is also understood from the PAPs that some have verbally requested Bilasuvar district to allocate 'new' land to them. However, there is no official confirmation on whether such land is available or if it will be allocated in time before the start of the winter grazing season. In addition, and as discussed in section 6.6.6, Masdar has engaged Executive Power, and consultations are ongoing in the identification of suitable alternative grazing land for the PAPs. Based on this, no official confirmation has been received relating to the availability of land that can be used by the PAPs.

Based on the consultations undertaken with the PAPs and the review of the existing project reports, all the PAPs are eligible to certain entitlements based on the magnitude of the impacts. The updated entitlements to be outlined in the draft RAP will be disclosed to the PAPs as discussed in section 6.6.7 above. Additionally, Masdar has committed to providing the compensation payments to H5, H9 and H7 by 15<sup>th</sup> of October 2024. The payment to the rest of the PAPs will follow thereafter in accordance with the schedule provided in the CAP (table 8-1) and the updated RAP and before any impacts can occur.

At the time of writing this SCA Report no compensation payments had been made to the PAPs.

## 6.9 Stakeholder Engagement

The Executive Power does not have a record of consultations that have been undertaken with the PAPs in relation to issuance of leases, cancellation etc. It is therefore difficult to know whether any of the engagements were undertaken, attendees, and the main outcomes.

However, the project has undertaken on-going consultations with the Executive Power and PAPs between February 2024 and July 2024. Additional consultations were also undertaken between 21<sup>st</sup> and 31<sup>st</sup> August 2024 which included the herders' spouses (H1, H2, H4, H5, H6, H7, W2, H8, H9). The spouse of W2 was not available for consultations but the husband confirmed that she is aware of the project.

Further consultations were held between September 21<sup>st</sup> and 26, 2024, to disclose the preliminary compensation individual packages to the PAPs. Additionally, further consultations were conducted in 2024 to inform the PAPs about the extension for using the site for grazing purposes until the end of November 2024.

All the PAPs and available spouses were provided with the Project brochure which also include information about the GRM.

### 6.9.1 Feedback from affected households

The feedback received from the PAPs during the consultations held between 21<sup>st</sup> and 31<sup>st</sup> August 2024 include:

- They need support from the project and the government in the relocation process and identifying winter grazing land. They stated they are willing to leave the project site, but they do not have an alternative.
- Some of the PAPs stated that they may have to sell some or all their livestock if they did not get access to suitable winter grazing land which would ultimately affect their livelihoods and their households.
- They are not able to keep the livestock in their primary residences either because the animal shelters there are small, or they do not exist. Additionally, those shelters that exist are not suitable for winter usage as it gets too cold which would affect their livestock.
  - Refer to table 6-4 above for information on the condition of the structures that the PAPs currently have and their condition.
- Some of the PAPs feel that they are too old to start a new livelihood, and they also expressed concern that their villages were not suitable for starting new businesses.

- One PAP stated that if his livelihood is impacted, he would not be able to pay for the agricultural loan he took which includes monthly payments of 980AZN until June 2025.
- Some requested that their children are considered for employment by the project.

## 6.10 Grievance Redress Mechanism

There was no grievance redress mechanism (GRM) established by the Executive Power prior to the one established by the project. However, Azeri citizens can submit their grievances as per the Law of Appeals of Citizens of Azerbaijan<sup>6</sup>. Citizens can submit their appeals in writing, verbally to their subjects or officials who must consider their consideration to the matter directly.

It is also noted that the law provides for grievances relating to compensation to be resolved through the courts based on the Land Code, but no compensation has been issued to the PAPs to date. In addition, informal land users may shy away from using this process as they could be required to pay for any damages caused by their illegal occupation of the land.

Consultations with the Executive Power were not able to establish whether they had received any grievances from the PAPs, and if so, how these were addressed. This is because no records were provided to the Project team. One of the PAPs stated he had submitted a grievance to the Executive Power, but he declined to provide details of what this related to and whether it had been resolved.

During the consultations undertaken in August 2024, the PAPs confirmed that they are aware of the project grievance mechanism, and they have also received brochures providing details of the same. They also stated that they are aware they can submit their grievances directly to Executive Power.

At the time of writing, there are no unresolved court cases in connection with the land proposed for the project or the process of taking back the land to State use.

In total 5 grievances have been received by the project and they can be summarised as below:

- The displaced PAP (H5) was asking for support in improving his conditions of living as this is currently inadequate. This grievance was received on 26<sup>th</sup> August 2024, and it is currently being addressed in line with the measures outlined in section 6.5.5 above.

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<sup>6</sup> <https://president.az/az/letters/laws/2>



- 3 grievances were launched between 26<sup>th</sup> and 27<sup>th</sup> September 2024 by three PAPs seeking clarification on how their compensation was calculated and if all the assets had been reflected in the inventory. These 3 grievances are currently being processed through the GRM.
- One PAP submitted a grievance on 2<sup>nd</sup> October 2024 requesting for information on the boundaries of the land he uses for grazing purposes. This is currently being processed through the GRM.

## 7 PROJECT COMPLIANCE EVALUATION

This chapter provides the findings against the requirements of ADB's SPS 2009, including recommendations based on these findings. The findings have been defined as Compliant, Partially Compliant, Not Compliant, and Not Applicable as provided in the table below.

**Table 7-1 Categorisation of findings**

RATING	DESCRIPTION
<b>Compliant</b>	The information available indicates that the land acquisition and resettlement process meet ADB's requirements.
<b>Partially Compliant</b>	The information available indicates that the land acquisition process partially fulfils ADB's requirements.
<b>Not Compliant</b>	Information available indicates that the project does not fulfil ADB's requirements.
<b>Not Applicable</b>	The requirement does not apply to the project.

**Table 7-2 ADB SPS 2009 compliance matrix**

SAFEGUARD REF	ADB'S SPS 2009 REQUIREMENTS	FINDINGS & OBSERVATIONS	COMPLIANCE	JUSTIFICATION	CORRECTIVE ACTION
<b>Project alternatives to minimise resettlement</b>					
<b>Section A Para.1</b>	The client will consider feasible alternative project designs to avoid or minimise physical and/or economic displacement, while balancing environmental, social and financial costs and benefits, paying particular attention to impacts on the poor and vulnerable.	<ul style="list-style-type: none"> <li>The proposed project location was provided by the government of Azerbaijan.</li> <li>The developer (Masdar) has worked to optimise the location of the project to avoid, and where avoidance is not possible to minimise impacts on the PAPs using the project area.</li> <li>This has resulted in an updated layout of the project design which shows that the east of the project site will mostly remain undeveloped, and it can be used for grazing purposes. This area is approximately 250ha.</li> </ul>	<b>Partially Compliant</b>	The impact assessment and determination of the PAPs entitlements and livelihood restoration measures is currently on-going, and some impacts have been experienced by some of the PAPs who demolished all or parts of their structures due to the notification letter (now rescinded) issued to them by the Executive Power.	<ul style="list-style-type: none"> <li>Submission of the updated draft RAP to the ADB will include the assessment of the impacts from the demolitions that have occurred before the implementation of the draft and final RAP.</li> <li>Timely and full implementation of the draft and final RAP.</li> </ul>
<b>Section D (1): Compensation, assistance, and benefits for displaced persons</b>					
<b>Para. 7</b>	Displaced persons in a project area could be of three types: (i) persons with formal legal rights to land lost in its entirety or in part, (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognised or recognisable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognised or recognizable claims to such land. The involuntary resettlement requirements apply to all three types of displaced persons.	<ul style="list-style-type: none"> <li>While the government does not recognise the informal land users within the site, Masdar recognises all the PAPs using the project site including those without LLAs including informal workers.</li> </ul>	<b>Compliant</b>	The project has identified legal and informal land users within the project site.	None
<b>Para. 8</b>	The borrower/client will provide adequate and appropriate replacement land and structures or cash compensation at full replacement cost for lost land and structures, adequate compensation for partially damaged structures, and relocation assistance, if applicable, to those persons described in para. 7(i), and 7(ii) prior to their relocation.	<ul style="list-style-type: none"> <li>The Executive Power has potentially identified some replacement land for some of the PAPs (FH1) and indicated alternative land that can be used by the other herders. The determination of where this land is located and its sufficiency is still on-going.</li> <li>Displacement has occurred for instance for H5 and his wife MH6 before the completion of the draft and final RAP and its implementation. H7 and H9 have also demolished some of their structures. However, all the assets on the site were captured during the inventory and valuation has been undertaken at full replacement cost.</li> <li>The disclosure of the preliminary compensation packages has been undertaken for all the PAPs with priority being provided to H5, H7 and H9.</li> </ul>	<b>Not Compliant</b>	<ul style="list-style-type: none"> <li>The displacement and demolition of the structures belonging to H5, H7 and H9 has occurred before the applicable compensation and entitlements can be disclosed and disbursed.</li> <li>The current accommodation used by H5 and his wife MH6 after displacement from the site is not considered adequate and has no access to potable water, sanitation, lighting etc.</li> <li>The impacts originating from the issuance of the notification to leave the site (now rescinded) are being assessed in the draft RAP and the applicable entitlements being established. The impacts on H5, H7 and H9 are also being assessed as they have already experienced impact.</li> </ul>	<ul style="list-style-type: none"> <li>The outcome of the immediate actions in relation to H5 and MH6 will be reported to the ADB in October 2024.</li> <li>Compensation for key entitlements will be provided to H5, H7 and H9 by mid- October 2024 and the same reported to the ADB and other lenders immediately.</li> <li>A report detailing the outcome of providing the prefabricated accommodation to H5 and MH6 will be provided to the ADB and other lenders in October 2024.</li> <li>The updated draft RAP will be submitted to the ADB.</li> <li>Masdar's CLO will monitor the PAPs condition at the project site to ensure that no additional impacts are experienced before the implementation of the RAP.</li> <li>Timely and full implementation of the draft and final RAP.</li> </ul>

SAFEGUARD REF	ADB's SPS 2009 REQUIREMENTS	FINDINGS & OBSERVATIONS	COMPLIANCE	JUSTIFICATION	CORRECTIVE ACTION
<p><b>Para. 9</b></p>	<p>Preference will be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. If land is not the preferred option of the displaced persons, or sufficient land is not available at a reasonable price, nonland-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of land will be demonstrated and documented to the satisfaction of ADB.</p>	<ul style="list-style-type: none"> <li>The Executive Power has identified land that will be allocated to FH1, and this has been approved by the State Service on Property. The process of signing the LLA is currently on-going and once issued, it will be for a period of 15 years.</li> <li>Land-based solutions for informal herders are being investigated for the project but are not yet secured. Securing of the replacement land for informal PAPs is uncertain.</li> </ul>	<p><b>Partially Compliant</b></p>	<p>Based on the uncertainty on availability of replacement land, the draft RAP is being updated with suitable alternative livelihood restoration measures in consultations with the PAPs and relevant stakeholders.</p>	<p>The following long-term solutions have been identified:</p> <ul style="list-style-type: none"> <li>The project design has been updated which will leave 250ha of land undeveloped. Masdar is in discussions with the Governmental for this land will be allocated to H5, and his prefabricated accommodation will also be installed here.</li> </ul> <p>The interim measures implemented include:</p> <ul style="list-style-type: none"> <li>Masdar has extended the notification for herders to leave the site to 30<sup>th</sup> November 2024. This will allow for the implementation of the entitlements to be undertaken including the corrective actions.</li> <li>Discussions are still on-going between Masdar and the government to determine the availability of temporary suitable winter land that the PAPs can use for the winter 2024-2025.</li> <li>Support and facilitation by Masdar of securing alternative replacement land for informal herders.</li> <li>Submission of the updated draft RAP to the lenders for approval</li> <li>Timely and full implementation of the RAP</li> </ul>
<p><b>Para. 10</b></p>	<p>The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.</p> <p>Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.</p>	<ul style="list-style-type: none"> <li>The project engaged a licensed valuator who undertook the inventory and valuation of all assets on the project site at full replacement cost.</li> <li>While the disclosure of the preliminary individual packages has occurred, no compensation has been disbursed.</li> <li>The LLA under FH1 is still being processed but it will not have to go through the auction process as it is under state land as described in section 6.4.1 above.</li> </ul>	<p><b>Partially Compliant</b></p>	<p>The project will address any comments or request for information from the PAPs during their review of their interim packages and will provide finalised packages.</p>	<ul style="list-style-type: none"> <li>Submission of the updated draft RAP to the lenders for approval.</li> <li>Address comments/request for information etc coming from the PAPs during the review of their preliminary compensation packages, and provide final packages.</li> <li>Timely and full implementation of the RAP.</li> </ul>

SAFEGUARD REF	ADB's SPS 2009 REQUIREMENTS	FINDINGS & OBSERVATIONS	COMPLIANCE	JUSTIFICATION	CORRECTIVE ACTION
<p><b>Para. 11</b></p>	<p>In case of physically displaced persons, the borrower/client will provide (i) 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 as required; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.</p>	<ul style="list-style-type: none"> <li>The physical displacement of H5 and his wife MH6 has occurred before the disbursement of their compensation package and other entitlements.</li> <li>As such, the herder is living in an interim structure that is considered inadequate and does not have access to basic amenities such as potable water, proper sanitation etc.</li> <li>It is noted that the Land Code does not allow for the construction of permanent structures on grazing land. As such, any accommodation structure provided would have to be temporary and still provide adequate living conditions.</li> <li>While H7 and H6 have primary residences outside of the project sites, they have experienced displacement and cannot go back to the project site.</li> </ul>	<p><b>Not compliant</b></p>	<p>The notices were issued to these herders (H5, H7 and H9) without the implementation of their entitlements which requires for corrective actions to be taken.</p>	<ul style="list-style-type: none"> <li>The outcome of the immediate actions in relation to H5 and MH6 will be reported to the lenders in October 2024.</li> <li>Compensation payment will be provided to H5, H7 and H9 by mid- October 2024 and the same reported to the lenders immediately.</li> <li>A report detailing the outcome of providing the prefabricated accommodation to H5 and MH6 will be provided to the lenders in October 2024.</li> <li>The updated draft RAP will be submitted to the lenders will include the details of the corrective actions taken by the project to date.</li> <li>Timely and full implementation of the RAP.</li> </ul>
<p><b>Para. 12</b></p>	<p>In the case of economically displaced persons, regardless of whether they are physically displaced, the borrower/client will promptly compensate for the loss of income or livelihood sources at full replacement cost. The borrower/client will also provide assistance such as credit facilities, training, and employment opportunities so that they can improve, or at least restore, their income earning capacity, production levels, and standards of living to pre-displacement levels. The borrower/client will also provide opportunities to displaced persons to derive appropriate development benefits from the project.</p>	<ul style="list-style-type: none"> <li>Executive Power has identified replacement land for some PAPs but no LLAs have been signed. It is not certain that replacement land will be available for other PAPs.</li> <li>The issuance of the notification to leave the site by 1<sup>st</sup> September 2024 (rescinded and communicated to PAPs in advance of this date) has resulted to impacts such as physical displacement for H5/MH6 and economic impacts on H6, H7 and H9. These impacts have occurred before the finalisation, disclosure, and implementation of the draft RAP. As such, these impacts are being assessed in the updated draft RAP.</li> <li>The draft RAP is being updated with the details relating to the livelihood restoration measures especially where replacement land is not available.</li> </ul>	<p><b>Not compliant</b></p>	<ul style="list-style-type: none"> <li>The RAP is currently being updated to include details of the compensation and implementation of livelihood restoration measures to ensure that the PAPs are not worse off.</li> <li>Additionally, there has been impact to H5/MH6, H7 and H9 before the RAP implementation has commenced.</li> <li>As such, corrective actions need to be implemented immediately including the immediate payment of the compensation packages belonging to these PAPs.</li> </ul>	<ul style="list-style-type: none"> <li>The outcome of the immediate actions in relation to H5 and MH6 will be reported to the lenders in October 2024.</li> <li>Compensation payment will be provided to H5, H7 and H9 by mid- October 2024 and the same reported to the lenders immediately.</li> <li>The updated draft RAP will be submitted to the lenders will include the details of the corrective actions taken by the project to date. The final RAP will include the applicable entitlements and livelihood restoration measures for the PAPs such as skills development, employment etc. The opportunities provided will be viable for both male and female</li> <li>Timely and full implementation of the RAP.</li> </ul>
<p><b>Para. 13</b></p>	<p>Involuntary resettlement should be conceived of and executed as part of a development project or program. In this regard, the best strategy is to provide displaced persons with opportunities to share project benefits in addition to providing compensation and resettlement assistance. Such opportunities would help prevent impoverishment among affected persons, and help meet the ethical demand for development interventions to spread development benefits widely. Therefore borrowers/clients are encouraged to ascertain specific opportunities for engaging affected persons as project</p>	<p>The construction of the project has not commenced and neither has the implementation of the draft RAP.</p>	<p><b>Partially Compliant</b></p>	<p>The specific benefits to the PAPs are being updated in the draft RAP after recent consultations were concluded.</p>	<ul style="list-style-type: none"> <li>Submission of the updated draft RAP to the ADB and other lenders will include the additional opportunities that will be provided to the PAPs and the members of their households. Consideration will be made to ensure that the opportunities provided to the female members of the households are appropriate.</li> </ul>

SAFEGUARD REF	ADB's SPS 2009 REQUIREMENTS	FINDINGS & OBSERVATIONS	COMPLIANCE	JUSTIFICATION	CORRECTIVE ACTION
	beneficiaries and to discuss how to spread such opportunities as widely as possible among affected persons in the resettlement plan.				<ul style="list-style-type: none"> <li>Timely and full implementation of the draft and final RAP.</li> </ul>
Para. 14	The borrower/client will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan have been provided to displaced persons; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help displaced persons improve, or at least restore, their incomes and livelihoods.	<ul style="list-style-type: none"> <li>The issuance of the notification to leave the site by 1<sup>st</sup> September 2024 (now rescinded) has resulted to impacts such as physical displacement for H5/MH6 and economic impact on H7 and H9. These impacts have occurred before the finalisation, disclosure, and implementation of the RAP.</li> <li>It is noted that this national led notification process was in line with the land code which informs the termination of LLAs. The termination of the LLAs occurred between 2016 to 2019 through court resolutions and the notifications were provided on this basis.</li> <li>Consultations with H5, H7 and H9 revealed that they left the site voluntarily.</li> <li>It is noted that Masdar was not part of the above process and they are committed to meet the lenders' requirements which is why they consulted with the government to have the notification rescinded and have since implemented corrective actions.</li> </ul>	Not Compliant	<p>Physical and economic impact has occurred before the disbursement of compensation packages to PAPs including other entitlements.</p> <p>The project has undertaken corrective actions towards providing adequate housing to H5/MH6 and prioritising the payment of compensation packages to H5, H7 and H9.</p>	<ul style="list-style-type: none"> <li>The outcome of the immediate actions in relation to H5 and MH6 will be reported to the lenders in October 2024.</li> <li>Compensation payment will be provided to H5, H7 and H9 by mid- October 2024 and the same reported to the lenders immediately.</li> <li>A report detailing the outcome of providing the prefabricated accommodation to H5 and MH6 will be provided to the lenders in October 2024.</li> <li>Masdar's CLO will undertake on-going consultations and site visits to ensure that no additional impacts are experienced by the PAPs before the implementation of the draft RAP.</li> <li>Timely and full implementation of the CAP (table 8-1) and the draft and final RAP.</li> </ul>
<b>Section D(2): Social Impact Assessment</b>					
Para. 15	<p>The borrower/client will 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. For this purpose, normally a cut-off date will be established by the host government procedures. In absence of such procedures, the borrower/client will establish a cut-off date for eligibility. The information about the cutoff date will be documented and disseminated throughout the project area.</p> <p>The social impact assessment (SIA) report will include (i) identified past, present and future potential social impacts, (ii) an inventory of displaced persons and their assets, (iii) an assessment of their income and livelihoods, and (iv) gender disaggregated information pertaining to the economic and sociocultural conditions of displaced persons.</p>	<ul style="list-style-type: none"> <li>There is no evidence that the government undertook any socio-economic surveys in relation to the PAPs.</li> <li>The Project's draft RAP includes socio-economic details of the PAPs.</li> </ul>	Compliant	The draft RAP includes the socio-economic details of the PAPs.	None
Para. 16	As part of the social impact assessment, the borrower/client will identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where such individuals and groups are identified, the borrower/client will propose and implement targeted measures so that adverse impacts do not fall disproportionately on them, and they are not	The draft RAP includes a socio-economic chapter of the PAPs which also includes the assessment of vulnerable groups. The impacts that have occurred before the implementation of the draft RAP are still being assessed.	Partially Compliant	It is critical for the immediate corrective actions such as providing adequate for H5/MH6 is provided, priority compensation for H5, H7 and H9 are undertaken. This will ensure that the economic and physical displacement that has already occurred does not further worsen their existing vulnerabilities.	<ul style="list-style-type: none"> <li>The outcome of the immediate actions in relation to H5 and MH6 will be reported to the ADB and other lenders in October 2024.</li> <li>Compensation payment will be provided to H5, H7 and H9 mid-October 2024 and the same</li> </ul>

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	disadvantaged in relation to sharing the benefits and opportunities resulting from development.				<p>reported to the lenders immediately.</p> <ul style="list-style-type: none"> <li>A report detailing the outcome of providing the prefabricated accommodation to H5 and MH6 will be provided to the lenders in October 2024.</li> <li>Address any comments/feedback provided by the PAPs after their review of their compensation packages.</li> <li>Masdar's CLO will undertake ongoing consultations and site visits to ensure that no additional impacts are experienced by the PAPs before the implementation of the draft RAP.</li> <li>Timely and full implementation of the RAP.</li> </ul>
<b>Section D (3): Resettlement Planning</b>					
<b>Para. 17.</b>	The borrower/client will prepare a resettlement plan if the proposed project will have involuntary resettlement impacts. The objective of a resettlement plan is to ensure that livelihoods and standards of living of displaced persons are improved, or at least restored to pre-project (physical and/or economic) levels and that the standards of living of the displaced poor and other vulnerable groups are improved, not merely restored, by providing adequate housing, security of land tenure and steady income and livelihood sources.	The project draft Resettlement Plan is in place, but it is currently being updated to align with the lenders requirements.	<b>Partially Compliant</b>	The project draft RAP is currently being updated with to align with the lenders' requirements.	Finalisation of the draft RAP
<b>Para. 18</b>	<p>A Resettlement Plan will be based on the social impact assessment and through meaningful consultation with the affected persons. The plan will include measures to ensure that the displaced persons 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.</p> <p>During the identification of the impacts of resettlement and resettlement planning, and implementation, the borrower/client will pay adequate attention to gender concerns, including specific measures addressing the need of female headed households, gender-inclusive consultation, information disclosure, and grievance mechanisms, to 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.</p>	<ul style="list-style-type: none"> <li>The project has undertaken a social impact assessment as part of the ESIA. In addition, a draft RAP has been prepared and is currently being updated (with the applicable entitlements and livelihood restoration measures) which will include the disclosure timeline to the PAPs.</li> <li>It is noted that the draft RAP does not currently include the details of consultations undertaken with the spouses of the affected PAPs some of whom support their spouses in herding activities. However, these consultations have since been undertaken outcomes of which will be included in the updated draft RAP.</li> </ul>	<b>Partially Compliant</b>	The outcome of the consultations with the PAPs spouses and details of the level of their engagement in herding activities, concern about the project etc., have not yet been included in the draft RAP report. The update of the draft RAP is currently ongoing.	The updated draft RAP submitted to the ADB and other lenders will include the outcome of consultations undertaken with the spouses of the PAPs, their engagement in herding activities, concerns about the project etc. This will also include the determination of the applicable entitlements and livelihood restoration measures based on the impacts identified.
<b>Para. 19</b>	The borrower/client will analyse and summarize national laws and regulations pertaining to land acquisition, compensation payment, and relocation of affected persons in the resettlement plan. The borrower/client will compare and contrast such laws and regulations with	The draft RAP includes a gap analysis of the lenders requirements vs the Azeri law and how these gaps will be closed	<b>Compliant</b>	A gap analysis on the national regulation vs lenders requirements (including ADB's) is included in the RAP.	None

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	ADB's involuntary resettlement policy principles and requirements. If a gap between the two exists, the borrower/client will propose a suitable gap filling strategy in the resettlement plan in consultation with ADB.				
Para. 20	All costs of compensation, relocation, and livelihood rehabilitation will be considered project costs.	<p>The costs of compensation, support and livelihood restoration measures have been determined and are being updated in the RAP.</p> <p>The PAPs who have been impacted by the notification letter issued to vacate the site (issued by the Bilasuvar Executive Power and now rescinded prior to the stated date) have incurred some costs before their entitlements have been disbursed. These are still being assessed in the draft RAP.</p>	Partially Compliant	<ul style="list-style-type: none"> <li>The costs incurred by the PAPs in the demolition, transportation and relocation (H5/MH6) will be included as part of the entitlements.</li> <li>The relocation costs for H5/MH6 and the costs related to installation of the prefabricated house will be part of the project cost.</li> </ul>	<ul style="list-style-type: none"> <li>The outcome of the immediate actions in relation to H5 and MH6 will be reported to the lenders in October 2024.</li> <li>Compensation payment will be provided to H5, H7 and H9 by mid- October 2024 and the same reported to the lenders immediately.</li> <li>A report detailing the outcome of providing the prefabricated accommodation to H5 and MH6 will be provided to the lenders in October 2024.</li> <li>Address any comments/ feedback provided by the PAPs after their review of their compensation packages.</li> </ul>
Para. 21	The borrower/client will include detailed measures for income restoration and livelihood improvement of displaced persons in the resettlement plan. Income sources and livelihoods affected by project activities will be restored to pre-project levels. For vulnerable persons and households affected, the resettlement plan will include measures to provide extra assistance so that they can improve their incomes in comparison with pre-project levels. The resettlement plan will specify the income and livelihoods restoration strategy, the institutional arrangements, the monitoring and reporting framework, the budget, and the time-bound implementation schedule.	<p>The initial draft RAP includes vulnerability assessment, but it lacks details of the measures that will be required to implement to support the vulnerable PAPs, including those who have already experienced displacement.</p> <p>While the specific details of livelihood restoration are not in the draft RAP, the records of consultations undertaken to establish the applicable strategies have been reviewed as part of this audit. As such, they are being updated in the draft RAP.</p>	Partially Compliant	The initial draft RAP does not include the full details of the support or livelihood restoration strategies that will be implemented, timeline, monitoring & reporting requirements. This is currently being updated in the draft RAP.	<p>The updated draft RAP will include details of the livelihood restoration strategies, and the type of support provided to the vulnerable households.</p> <p>These livelihood strategies will be disclosed to the PAPs once they are finalised.</p>
Para. 22	The information contained in a resettlement plan may be tentative until a census of affected persons has been completed.	A census of the affected persons has been completed.	Compliant	The asset inventory and valuation 100% captures the list of the affected PAPs including those who have started to demolish their structures.	None
Para. 23	Projects with significant involuntary resettlement impacts will need adequate contingency funds to address involuntary resettlement impacts that are identified during project implementation. The borrower/client will ensure that such funds are readily available.	Part of the review undertaken as part of this audit shows that the contingency fund budget has already been determined and included in the budget.	Compliant	The updated draft RAP includes details of the contingency budget allocated to the project.	None
Para. 24	The borrower/client will use qualified and experienced experts to prepare the social impact assessment and the resettlement plan.	The ESIA and draft RAP are currently being updated to ensure compliance with the lenders' requirements.	Compliant	<p>Masdar has engaged international (5 Capitals) and national consultant to prepare the draft RAP and ensure compliance with the national and lenders requirements.</p> <p>Additionally, 5 Capital's team includes a Social Lead who will review the work undertaken for the project. Additionally, a female social specialist from Azerbaijan was used during the additional surveys undertaken to address the lenders' comments.</p>	None



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<b>Section D (4): Negotiated land acquisition</b>					
<b>Para. 25</b>	Safeguard Requirements 2 does not apply to negotiated settlements, unless expropriation would result upon the failure of negotiations.	Not applicable	<b>Not Applicable</b>	Only applicable in the case of private ownership	None
<b>Section D (5): Information disclosure</b>					
<b>Para. 26</b>	The borrower/client will submit the resettlement plans and resettlement monitoring documents to ADB for disclosure on their website.	The draft RAP has been updated based on comments received from the ADB and other lenders. In addition, the initial compensation packages have been disclosed to the PAPs and the project is waiting for their feedback/request for additional information etc.	<b>Partially Compliant</b>	The PAPs have been provided with one week to review their preliminary compensation packages and provide feedback to the project.	Address any comments/feedback provided by the PAPs after their review of their preliminary compensation packages, update the compensation packages to final. ADB and Masdar will disclose the draft and final RAP on their websites.
<b>Para. 27</b>	The borrower/client will provide relevant resettlement information, including information from the documents in para.26 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, suitable other communication methods will be used.	<ul style="list-style-type: none"> <li>Any engagement undertaken by the government with the PAPs in relation to the project has not been documented.</li> <li>However, consultations have been undertaken as part of the initial draft RAP and draft ESIA.</li> </ul>	<b>Partially Compliant</b>	The preliminary compensation packages have been disclosed to the PAPs and they are currently under their review.	Address any comments/feedback provided by the PAPs after their review of their preliminary compensation packages, update the compensation packages to final.
<b>Section D (6): Consultation and participation</b>					
<b>Para. 28</b>	The borrower/client will conduct meaningful consultation with affected persons, their host communities, and civil society for every project identified as having involuntary resettlement impacts. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis; (ii) provides timely disclosure of relevant and adequate information; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.	<ul style="list-style-type: none"> <li>There is no documentation of the outcomes of the consultations that the Bilasuvar Executive Power may have undertaken with the PAPs in the past. However, any consultations undertaken by the Executive Power are likely to have occurred in line with the national requirements and not the lenders' (ADB) requirements.</li> <li>It is noted that Masdar is not able to influence how government agencies implement the national processes. However, they have appointed 5 Capitals to undertake consultations and engagements in line with the lenders' requirements.</li> <li>Consultations were undertaken as part of the initial draft RAP (and draft ESIA) with the PAPs. However, this did not include the members of the households who are involved in supporting the PAPs in herding activities including the PAPs spouses. It is noted that this has since been undertaken and the draft RAP is currently being updated with the outcomes.</li> <li>The project specific draft SEP is also being updated and includes the process of ongoing information disclosure and consultation throughout the project lifetime.</li> </ul>	<b>Partially Compliant</b>	The consultations undertaken as part of the draft RAP did not include the members of the households and the spouses of the PAPs.	<ul style="list-style-type: none"> <li>The updated draft RAP will include the outcomes of the consultations with the spouses of the PAPs including details of those engaged in herding activities. This will also include an assessment of the potential impacts to them and how these (if any) will be addressed.</li> <li>Ensure that the draft RAP and SEP consultations and disclosure requirements are implemented.</li> </ul>

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	Consultation will be carried out in a manner commensurate with the impacts on affected communities. The borrower/client will 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 title to land.	<ul style="list-style-type: none"> <li>Vulnerable groups have been identified in the draft RAP, additionally, the entitlements to these groups have been identified.</li> <li>The project has already undertaken consultations with the spouses of the PAPs and determined their level of engagement in supporting herding activities.</li> </ul>	<b>Partially Compliant</b>	The draft RAP is currently being updated with the outcome of consultations and vulnerability support details. This will also include the assessment of vulnerability of the PAPs who have already experienced impacts.	Update the draft RAP to include the entitlements that have already been identified in relation to vulnerable PAPs and women (as applicable).
<b>Section D (7): Grievance redress mechanism</b>					
<b>Para. 29</b>	The borrower/client will establish a mechanism to receive and facilitate the resolution of affected persons' concerns and grievances about displacement and other project impacts, paying particular attention to the impacts on vulnerable groups. The grievance redress mechanism should be scaled to the risks and adverse impacts of the project. It should address affected persons' concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and accessible to the affected persons at no costs and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The borrower/client will inform affected persons about the mechanism.	<ul style="list-style-type: none"> <li>All the PAPs can submit their grievances to the Executive Power as per the Law of Appeals of Citizens in Azerbaijan. However, it is not clear if Executive Power has received any grievances and how these were addressed as no documentation was provided to the project team. One herder stated they had submitted a grievance but no details on its resolution were provided to the project team.</li> <li>Based on the above, and for the lack of disclosure by the Executive Power on closed or open grievances they have received from the PAPs, the project has implemented a project level GRM. It is noted that Masdar has no influence over the grievances submitted through the Executive Power and how the Law of Appeals of Citizens is implemented.</li> <li>The PAPs have been provided with details of the project specific GRM during consultations and as part of the project leaflets distributed (in Azeri) to them and members of their households. Only one GRM has been submitted to date in relation to the physical displacement of herder 5.</li> <li>The draft RAP and the draft SEP include details of the project GRM.</li> </ul>	<b>Compliant</b>	<ul style="list-style-type: none"> <li>The implementation of the GRM established as part of the project is currently on-going.</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementation of the project GRM throughout the life of the project.</li> </ul>
<b>Section D (8): Monitoring &amp; Reporting</b>					
<b>Para. 30</b>	The borrower/client will monitor and measure the progress of implementation of the resettlement plan. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording the progress in compensation payment and other resettlement activities, the borrower/client will prepare monitoring reports to ensure that the implementation of the resettlement plan has produced the desired outcomes.	<ul style="list-style-type: none"> <li>The initial draft RAP includes a requirement for monitoring to be undertaken during the entire construction period and submission of quarterly monitoring reports to lenders.</li> <li>The initial draft RAP includes a requirement to undertake a RAP completion audit.</li> </ul>	<b>Partially Compliant</b>	<ul style="list-style-type: none"> <li>The draft RAP establishes the monitoring requirements for the project. However, they will have to be further updated and elaborated based on additional reviews and studies that will be undertaken prior to the finalisation of the RAP.</li> </ul>	Update the draft RAP to final.
<b>Para. 31</b>	The borrower/client will prepare semi-annual monitoring reports that describe the progress of the implementation of resettlement activities and any compliance issues and corrective actions. These reports will closely follow the involuntary resettlement monitoring indicators agreed at the time of resettlement plan approval. The costs of	As above.	<b>Partially Compliant</b>	The draft RAP establishes the initial monitoring and reporting requirements for the project which will need to be updated.	Update the draft RAP to final.

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	internal and external resettlement monitoring requirements will be included in the project budget.				
<b>Section D (9): Unanticipated impacts</b>					
<b>Para. 32</b>	If unanticipated involuntary resettlement impacts are found during project implementation, the borrower/client will conduct a social impact assessment and update the resettlement plan or formulate a new resettlement plan covering all applicable requirements specified in this document.	<ul style="list-style-type: none"> <li>The project specific draft RAP includes a requirement for the project to monitor unanticipated impacts and take corrective actions as applicable.</li> </ul>	<b>Partially Compliant</b>	The draft RAP is being updated to include the monitoring requirements of the unanticipated impacts resulting from the issuance of the notification letter (now rescinded) to PAPs.	<ul style="list-style-type: none"> <li>Masdar's CLO will undertake on-going consultations, site visits and reporting to ensure that no additional impacts are experienced by the PAPs before the implementation of the RAP.</li> <li>Where applicable during the project implementation, the project will develop an addendum to the draft RAP to assess the unanticipated impacts in line with the draft RAP that will be approved by the lenders.</li> </ul>
<b>Section D (10): Special considerations for Indigenous Peoples</b>					
<b>Para. 33</b>	The borrower/client will explore to the maximum extent possible alternative project designs to avoid physical relocation of Indigenous Peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If avoidance is impossible, in consultation with ADB, a combined Indigenous Peoples plan, and resettlement plan could be formulated to address both involuntary resettlement and Indigenous Peoples issues. Such a combined plan will also meet all relevant requirements specified under Safeguard Requirements 3.	Not applicable	<b>Not Applicable</b>	There are no Indigenous Peoples that will be impacted by the proposed project.	None

## 8 CORRECTIVE ACTION PLAN

This chapter provides a summary of the corrective actions that should be undertaken by the project to address the gaps identified above.

**Table 8-1 Corrective Action Plan for the Project**

NO	CORRECTIVE ACTION	DELIVERABLE	RESPONSIBILITY	TIMELINE	INDICATIVE BUDGET/COSTS
1	<p>Undertake a desktop independent review, among other, to:</p> <ul style="list-style-type: none"> <li>- Ascertain compliance of the process of notification and displacement undertaken by the government vis-a- vis the national laws and ADB requirements.</li> <li>- Confirm the number of affected people.</li> <li>- Confirm the number of vulnerable people.</li> <li>- Confirm physical displacement impacts to affected households.</li> <li>- Review adequacy of the interim compensation and proposed interim support options.</li> <li>- Review the grievance redress mechanism (GRM) in place at the governmental and project's levels, collection and management of ongoing grievances form the PAPs.</li> <li>- Review available/Proposed interim and long-term solutions to address physical and economic displacement impacts, including options and a process for securing alternative land for the herders and an auction process, if applicable.</li> <li>- Identify any adjustments and enhancements to the compensation packages required following the review,</li> <li>- Review the status of discharged compensation and on-going support.</li> </ul>	<p>Updated ESDD report. Updated SCAR corrective action plan (CAP) if necessary.</p>	<p>Lender consultant</p> <p>E&amp;S</p>	<p>25 October</p>	<p>Internal costs to the project</p>

NO	CORRECTIVE ACTION	DELIVERABLE	RESPONSIBILITY	TIMELINE	INDICATIVE BUDGET/COSTS
2	Implement the updated CAP. Actions may include: <ul style="list-style-type: none"> <li>- Update and enactment of the compensation packages.</li> <li>- Implementation of additional interim support if required.</li> <li>- Agreed recommendations to ensure compliance with the national and ADB standards and compliance in the implementation of the RAP.</li> </ul>	Evidence of implementation as specified under each updated CAP action.	Masdar	Per the updated CAP timeline	Internal costs to the project
3	Engage with affected people to communicate any changes, discuss and agree updates to the communication packages prior to enactment of the entitlements.	Input into weekly reporting as necessary, Stakeholder engagement plan, minutes of meetings and associated records.	Masdar	Per the updated CAP timeline	Internal costs to the project
4	Implement the immediate actions to improve the current living conditions of H5 and his wife MH6.	Report to be provided to lenders.	Masdar	4 <sup>th</sup> October 2024	Internal costs to the project
5	Payment of compensation to H5, H7 and H9.	Report and proof of compensation payment is provided to the lenders.	Masdar	15 <sup>th</sup> October 2024	Internal costs to the project
6	Undertake reasonable efforts for the allocation of grazing land for H5 and MH6.	Relocation report submitted to the lenders, evidence of engagement and support provided, records/minutes of meetings.	Masdar	18 <sup>th</sup> October 2024	Internal costs to the project
7	Engage with the government to facilitate to the extent possible security of tenure for H5/MH6 at the project undeveloped area.	Evidence of engagement, Copy of Confirmation on the land allocation to H5 and his wife MH6, once secured.	Masdar	April 2025	Internal costs to the project
8	Monitoring and support in the application for and allocation of replacement land for affected people, including on-going consultations with herders.	Records confirming FH1 has a LLA for the replacement land. Developed and up-to date plan of planned support.	Masdar's CLO	On-going	Internal costs to the project, including project CLO, regional

NO	CORRECTIVE ACTION	DELIVERABLE	RESPONSIBILITY	TIMELINE	INDICATIVE BUDGET/COSTS
		Evidence of provided support to include, evidence of regular engagement, minutes of meetings with governmental representatives and PAPs, evidence of applications for land submitted, grievance records, etc.			social manager support
9	<p>Provide animal fodder/monetary equivalent and other agreed and committed support which assured the 'no worse-off' principle, until sustainable solutions are secured, including</p> <p>For H7, H9:</p> <ul style="list-style-type: none"> <li>- Compensation – asset and transitional support</li> <li>- Reinforcement/ or construction of a barn</li> </ul> <p>Interim support for others:</p> <ul style="list-style-type: none"> <li>- Reinforcement /construction</li> <li>- Compensation and transitional support</li> </ul> <p>Committed interim support will include three years (for fodder, compensation worth of six months' supply) in which time the livelihood measures will be implemented. Masdar will also actively facilitate for the herders to secure the land.</p>	<p>Livelihood restoration program in the final RAP.</p> <p>Developed and up-to date plan of planned support.</p> <p>Evidence of provided support to include, evidence of regular engagement, minutes of meetings with governmental representatives and PAPs, evidence of applications for land submitted, grievance records, etc.</p>	Masdar	<p>RAP with Livelihood restoration program disclosed prior to construction.</p> <p>Immediate interim measures from 1 November – until permanent solutions are secured</p> <p>For H7, H9: By 15<sup>th</sup> October 2024 (compensation) By 1 November 2024 (barn reconstruction)</p>	Internal costs to the project, including project CLO, regional social manager support, third party agricultural expert

NO	CORRECTIVE ACTION	DELIVERABLE	RESPONSIBILITY	TIMELINE	INDICATIVE BUDGET/COSTS
				Interim support for others:  By end of November 2024 (compensation and barn reconstruction)	
10	On-going consultations, site visits and reporting about herders who have been impacted by the notice issued (now rescinded) and monitoring the condition of the other herders and workers.	Monthly reporting	Masdar	To commence immediately until the PAPs entitlements are disbursed.	Internal costs to the project
11	Ensure that no additional PAPs are impacted before the completion of the RAP, its disclosure and implementation.	Evidence that no additional PAPs are impacted.	Masdar	On-going	Internal costs to the project
12	Update the initial draft RAP to include: <ul style="list-style-type: none"> <li>- The assessment of the economic and physical impacts that have already occurred.</li> <li>- The update of PAPs entitlements.</li> <li>- Indicative compensation budget at full replacement cost.</li> <li>- Outcome of consultations undertaken with the spouses of the PAPs and their level of engagement, concerns about the project etc including determination of whether there will be potential impacts to them and how these will be addressed.</li> <li>- The livelihood restoration framework for PAPs.</li> </ul>	Updated draft RAP. Clearance by ADB.	5 Capitals (Masdar approve) to	Prior to ADB's disclosure of the draft RAP	Third party hiring cost Management time



NO	CORRECTIVE ACTION	DELIVERABLE	RESPONSIBILITY	TIMELINE	INDICATIVE BUDGET/COSTS
	Where suitable replacement land is not available, non-land-based options will be included in the RAP. The determination of livelihood strategies will be based on outcome of consultations with the PAPs and relevant stakeholders.				
13	<p>Update the draft RAP final to include:</p> <ul style="list-style-type: none"> <li>- The details of the PAPs household members/spouses involved in the herding activities in the updated RAP and assess potential impacts to them.</li> <li>- Valuation of assets.</li> <li>- Related implementation budgets. The compensation will be at full replacement cost.</li> <li>- Outcome of consultations undertaken with the spouses of the PAPs and their level of engagement, concerns about the project etc including determination of whether there will be potential impacts to them and how these will be addressed.</li> <li>- Livelihood restoration program for PAPs.</li> </ul>	Final RAP. Clearance by ADB.	5 Capitals (Masdar approve) to	Prior to ADB's disclosure of the final RAP	Third party hiring cost Management time
14	The project will ensure where possible that the affected PAPs and members of their household are considered for employment opportunities and other skills development opportunities.	Updated RAP, records of priority employment lists and employment records.	5 Capitals (Masdar approve) to	Prior to ADB's disclosure of the RAP	Third party hiring costs and management time.
15	Ensure that the project construction activities (including site clearance) commence only after the relocation of all remaining herders has been undertaken and the asset compensation provided (after signing of compensation agreements).	Proof of the signed agreements and payment prior to impact, Compensation report.	Masdar	Prior to the start of project construction including site clearance and fencing.	RAP budget Management time

NO	CORRECTIVE ACTION	DELIVERABLE	RESPONSIBILITY	TIMELINE	INDICATIVE BUDGET/COSTS
16	Update the RAP vulnerability criterion to include an assessment of the PAPs who have already experienced physical and economic displacement.	Updated RAP	5 Capitals (Masdar approve) to	Prior to ADB's disclosure of the draft RAP	Third party hiring cost Compensation costs Management time
17	The PAPs will be provided with a minimum of 1 week to review their compensation packages and provide feedback (if any).	Disclosure of RAP and compensation packages to PAPs, records of engagement and feedback on packages.	5 Capitals (Masdar approve) to	After approval of the RAP by lenders.	Third party hiring cost Management time
18	Implementation of the GRM	GRM logs, engagement records, evidence of grievance resolution.	Masdar	On-going during the life of the project	Internal costs to the project
19	Implement the RAP.	Evidence of implementation Sufficient resources in place.	Masdar	Per the RAP timeline	Management time, third party support as needed.
20	Conduct ongoing monitoring and evaluation on RAP implementation and livelihood restoration activities by competent specialists.	RAP monitoring report Project documentation, monitoring and evaluation records	Masdar	During the entire construction period and semi-annual monitoring reports to lenders.	Management time
21	Undertake completion audit on the RAP to determine that the objectives have been met.	Consultant TOR RAP completion audit report	Masdar	At the end of the RAP monitoring period.	Third party hiring costs and management time.
22	Develop an addendum in line with the RAP if unanticipated impacts are recorded as part of the impact monitoring i.e., unanticipated impact from the construction of the access road etc.	RAP Addendum	Masdar	As soon as unanticipated impacts are recorded	Third party hiring costs and management time.

## APPENDIX A – NOTIFICATION TO PAPs

The attached is an example of the notification sent to the herders.



**AZƏRBAYCAN RESPUBLİKASI**  
**BİLƏSUVAR RAYON İCRA HAKİMİYYƏTİ BAŞÇISI APARATI**

Az. 1300, Biləsuvar şəhəri, M.A.İbrahimov küçəsi 50, Tel/Faks: (025) 295-01-83, e-mail: mail@bilesuvar-ih.gov.az

№ 5-39/2.4/P33/2024

« 15 » avqust 2024-cü il

**XƏBƏRDARLIQ**

Məlumat üçün bildiririk ki, Azərbaycan Respublikası Nazirlər Kabinetinin 16 aprel 2024-cü il tarixli 212 nömrəli Qərarı ilə Biləsuvar rayonunun inzibati ərazisində dövlət mülkiyyətinə aid 1454,0 hektar torpaq sahəsi berpa olunan enerji mənbələrinin ərazisi kimi müəyyən edilmişdir. Bu ərazidə yaxın vaxtlarda 450 MVT gücündə Günəş Elektrik Stansiyasının tikintisinə başlanacaqdır.

Həmin ərazidən vaxtilə Biləsuvar Rayon İcra Hakimiyyətinin 20.10.2006-cı il tarixli 386 nömrəli sərəncamı ilə 266,0 hektar qış otlaq sahəsi sizin icarənizə verilmiş və 20.10.2006-cı il tarixli 1107 nömrəli icarə müqaviləsi bağlanmışdır. Sonradan Şirvan İnzibati-İqtisadi Məhkəməsinin 31.10.2018-ci il tarixli qətnaməsinə əsasən icarə müqaviləsinə xitam verilmişdir. Qeyd edilən ərazidə aparılan monitoring zamanı sizə məxsus tikililər müəyyən edilmişdir.

Biləsuvar Günəş Elektrik Stansiyasının tikintisinin başlanılmasına çox az vaxt qalmasını nəzərə alaraq, 01.09.2024-cü il tarixədək tikililərin sökülməsi və daşınması sizdən tələb olunur.

## APPENDIX B – NEW LETTER ISSUED TO PAPs

Sizə məlumdur ki, Azərbaycan Respublikasının Energetika Nazirliyi və Masdar şirkəti arasında imzalanmış investisiya müqaviləsi çərçivəsində Biləsuvar Günəş elektrik stansiyası Layihəsi həyata keçirilir. Dövlət fondundan Layihənin inkişafı üçün Nazirlər Kabinetinin müvafiq Sərəncamı ilə təyinatı dəyişdirilmiş və Bərpa Olunan Enerji təyinatı ilə torpaq sahəsi ayrılmışdır.

Biləsuvar GES layihəsinə ayrılan torpaq sahəsində hüququ olan və olmayan istifadəçilərinin vəziyyətini, eləcə də təsirini müəyyən etmək və Azərbaycan və beynəlxalq tələblərə uyğun olaraq müvafiq hüquqların araşdırılması və müvafiq qaydada təmin etmək üçün təsirin qiymətləndirilməsini həyata keçirir.

Müvafiq qurumlar və investorlar tərəfindən qiymətləndirmə davam etdiyi üçün sizə bildirmək istərdik ki, 2024-cü il sentyabrın 1-dək ərazini boşaltmaq qərarına yenidən baxılaraq, 1 noyabr 2024-cü il tarixinədək müvafiq hüquqlar və onların layihənin təsirinə məruz qalan şəxslərə açıqlanmasının həyata keçirilməsini təmin etmək üçün iş aparılmaqdadır.

Energetika Nazirliyi və layihə qrupu yaxın həftələrdə mövcud dəstək və müvafiq hüquqlar və icra qrafiki ilə bağlı əgər sizin hər hansı sualənəz, narahatlıqənəz və ya şərhiniz varsa, xahiş edirik aşağıdakı şəxslərlə əlaqə saxlayasınız.

Əlaqədar şəxs	Şirkət	Əlaqə məlumatları
Sərdar Hüseynov	5 Capitals	Email: <a href="mailto:sardarhuseyn@gmail.com">sardarhuseyn@gmail.com</a> Mob: +994 55 566 04 20
Yaşar Qocayev	Masdar	Email: <a href="mailto:ygojayev@masdar.ae">ygojayev@masdar.ae</a> Mob: +994 50 273 04 21
Vələhəddin Yunsurov	Biləsuvar İcra Hakimiyyəti	Email: <a href="mailto:yunsurov.v@gmail.com">yunsurov.v@gmail.com</a> Mob: +994 50 362 87 77

## APPENDIX C – VALUATOR'S CERTIFICATE



# LİSENZIYA

Seriya AB

№ 048967

Qeydiyyat nömrəsi 13/2-27 " 13 " oktyabr 2000  
199\_\_ il

Azərbaycan Respublikası İqtisadiyyat Nazirliyi

(lisenziyanı verən orqanın adı)

QIYMƏTLƏNDİRMƏ (ƏMLAKIN QIYMƏTLƏNDİRİLMƏSİ) FƏALİYYƏTİNİ

(fəaliyyət növü)

həyata keçirməyə icazə verir

Lisenziya verilib "PRİVAT-Ko" firmasına

(hüquqi şəxslər üçün -lisenziyanı alan müəssisə,

Bakı ş., Yasamal r., İ. Səfərli küç. 12

təşkilat, idarənin adı və hüquqi ünvanı; fiziki şəxslər üçün - soyadı, adı,

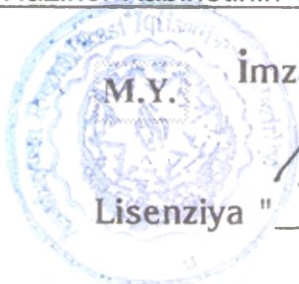
atasının adı, pasport məlumatları (seriya, nömrə, kim tərəfindən və nə vaxt

verilib), yaşayış yeri)

Lisenziyanın qüvvədə olduğu müddət 2 (iki) il

Göstərilən fəaliyyət növünün həyata keçirilməsi şərtləri

Nazirlər Kabinetinin 16.02. 1998-çi il 29N-li Qərarı ilə təsdiq olunmuş şərtlər



M.Y.

İmza

N.N.Nəsullayev

(soyadı, adı, atasının adı)

Lisenziya " " 199\_\_ il tarixədək uzadılıb

M.Y.

İmza

(soyadı, adı, atasının adı)



Özünü tənzimləyən qeyri-kommersiya təşkilatı  
**“AZƏRBAYCAN QIYMƏTLƏNDİRİCİLƏR CƏMİYYƏTİ”**

*12 fevral 1999-cu ildə Azərbaycan Respublikası Ədliyyə Nazirliyində qeydiyyatdan keçmiş,  
qiymətləndirmə sahəsinin hüquqi tənzimləyicisinə kömək edən peşakar bir birlikdir*

# ŞƏHADƏTNAMƏ

*Özünü tənzimləyən təşkilata üzv olmaq barədə*

**№ 0007**

**Verilib: 02.09.2019**

## **“PRİVAT K<sub>o</sub>” MƏHDUD MƏSULİYYƏTLİ CƏMİYYƏTİ**

*Qeydiyyat № (VÖEN) 1300357061*

**həqiqətən özünü tənzimləyən qeyri-kommersiya təşkilatı  
“AZƏRBAYCAN QIYMƏTLƏNDİRİCİLƏR CƏMİYYƏTİ”nin  
həqiqi üzvüdür**

**Reyestirdə qeydiyyat alınma tarixi: 02.09.2019**

**Reyestirdə qeydiyyat nömrəsi: 0007**

**Etibarlılıq müddəti: 5 il**

**“AZƏRBAYCAN QIYMƏTLƏNDİRİCİLƏR  
CƏMİYYƏTİ”nin sədri:**



**N.R. İbrahimov**