

# Social Monitoring Report

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External Monitoring Report  
July 2013

## Azerbaijan: Second Road Network Development Program—Tranche 1

Land Acquisition and Resettlement Plan Implementation for  
Jalilabad–Masalli Section Project 1 (km 112.9–km 142.9)

Prepared by AzerRoadService JSC for the Ministry of Transport and the Asian Development Bank.

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REPUBLIC OF AZERBAIJAN  
MINISTRY OF TRANSPORT  
AZERROADSERVICE JSC



EXTERNAL MONITORING REPORT

of  
Land Acquisition and  
Resettlement Plan Implementation  
for Jalilabad–Masalli Section  
Project 1 (Km 112.9–Km 142.9)

AZE: Multitranche Financing Facility  
Second Road Network Development Program

July 2013

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## EXECUTIVE SUMMARY

1. This External Monitoring report is prepared for the evaluation of implementation of Land Acquisition and Resettlement Plan that was prepared for the construction of a new 30-km four-lane highway section of the Alat–Masalli road between Jalilabad to Masalli (referred to as Project 1) following the Land Acquisition and Resettlement Framework (LARF) agreed between the Government of Azerbaijan and the Asian Development Bank within ADB-financed Second Road Network Investment Program.
2. Most of the LAR activities had been completed within the Highway 2 Project financed by the World Bank. The report considered 641 affected HHs within the Project 1 area. However, a new Land Acquisition and Resettlement Plan was prepared in July 2012 by the PPTA consultant hired by ADB which consists of following up of issues related to 342 severely affected vulnerable HHs and compensation of 15 privately-owned plots and municipality lands. Pending issues were included in the LARP.
3. The status of these pending issues as well as internal monitoring indicators were observed and reported in the internal monitoring report by PIU of ARS in March 2013.
4. Therefore, to ensure that LAR-related activities for the project are implemented in compliance with the provisions of the LARF, external monitoring was carried out by an individual consultant.
5. It was identified that 1 pending issues out of 15 was already solved by ARS. Thus, ARS assisted these persons in preparation of necessary documents and getting compensation from the local bank accounts. For the time being, there are currently 14 pending issues, which are being reviewed by a court.
6. In addition, compensation for the municipality lands is also pending due to Cabinet of Ministers review. Currently, Cabinet of Ministers is reviewing the issue in discussion with the Ministry of Finance and State Property Committee. Cabinet of Ministers' special order is anticipated in order to solve this issue.
7. Employment opportunities for severely affected and vulnerable HHs (342 HHs) are going to be provided by ARS when the construction starts in this section.<sup>1</sup> For that purpose, ARS has conducted a special survey between January–March 2012 to identify needs of severely affected and vulnerable HHs in terms of employment provision. As a result of the survey the list of persons who needs employment from the Government was established.

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<sup>1</sup> This issue should be closely monitored by PIU and ADB in the near future by progress and monitoring reports.

## **1. INTRODUCTION**

### **1.1 Objectives**

8. The objective of the assignment is to assist the AzerRoadService (ARS) in monitoring the implementation of land acquisition and resettlement plan (LARP) for Project 1 (Km 112.9–Km 142.9) of the Second Road Network Development Program and identifying the status of rehabilitation assistance for severely affected and vulnerable households in line with policies and principles laid out in the LARP and the Involuntary Resettlement Policy of the Asian Development Bank (ADB). Results of the external monitoring will be communicated to the Project Implementation Unit (PIU) and ADB through an External Monitoring Report.

### **1.2 Scope of the External Resettlement Monitoring**

9. The scope of the external monitoring comprised the following:

- To review and verify internal monitoring report prepared by PIU of ARS;
- To review the socioeconomic baseline census information of pre-displaced persons;
- To identify and select impact indicators;
- To undertake impact assessment through sample surveys with affected persons;
- To consult APs, government officials, community leaders for preparing review report;
- To assess the resettlement efficiency, effectiveness, impact, and sustainability to draw lessons for preparation and implementation of future resettlement planning documents

10. The external monitoring is conducted based on (i) the procedures and guidelines of ADB as set out in the ADB SPS (2009) and OM/FI March 2010; (ii) relevant laws, policies, and regulations in Azerbaijan; (iii) LARF and LARP for each project; and (iv) the general principle that DP's livelihood should be better or at least remain at the present level after completion of the project.

### **1.3 Resettlement Progress**

11. Land acquisition had almost been completed for private lands within the World Bank financed Highway 2 Project. There were only 15 pending issues identified and reflected in LARP in July 2012. Afterwards, internal monitoring report<sup>2</sup> confirmed that one of them was solved. The report also states that the compensation for 14 persons were deposited in the local banks. Afterwards, it was identified by the EMC that one more issue was solved. Currently there are 14 pending issues which are being reviewed by a court. In total, out of 119.08 ha privately owned affected lands Azerroadservice could not take possession of 2.031 ha land because of the pending court decision. Reason for pending issues are mainly APs living abroad (8 cases), inheritance problems (4 cases), documentation is not in order (1 case) and rejection from interaction with Government (1 case). However, the Internal Monitoring Report confirmed that payment of compensation for all affected municipality lands (177.36 ha) are pending due to forthcoming Cabinet of

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<sup>2</sup> March 2013.

Ministers relevant decision. Although, cash compensation were considered in the LARP for affected municipal lands, MOT requested the Cabinet of Ministers to decide the compensation form (cash or land) and amount. Therefore, Then CabMin asked MoT to prepare clear action plan with agreement of Ministry of Justice, Ministry of Finance, Land Committee and State Committee on Property Issues. MoT is currently discussing the issue with the mentioned agencies. Next step would be CabMin's order or decree for processing of compensation.

#### **1.4 Key Events since the Internal Monitoring Report for Project 1**

12. The internal resettlement monitoring report was reviewed by the external monitoring consultant (EMC). Moreover, the external monitoring consultant conducted site visits to the affected villages within the Project 1. The consultant had discussions with the local officials, DPs and ARS staff, as well as conducted group interviews of key informants in May 2013.

### **2. DISBURSEMENT OF ENTITLEMENTS TO AFFECTED PERSONS**

#### **2.1 Project Entitlements**

13. DPs losing land and structures are entitled to compensation and DPs losing business and APs needing relocation are entitled for assistance as per the RP. There were 650 affected land plots owned by 626 households losing land. No transaction charges or fees were deducted from the compensation payments. Copies of the signed agreements have been registered with the State Committee on Property Issues (SCPI) for updating of registration and issuance of new land ownership certificates to the DPs. 2 households losing structures. One of them is a restaurant complex in Mollahasanli village, other one is the fence (Samidkhanli village) 14 households will lose a portion of their land plot which they lease from the government. As per RP, cash compensation should be paid to DPs who are losing land and structure. In addition, alternate land plot will be offered to the affected leaseholders and cash assistance will be provided to those losing business.

14. Municipalities should have been compensated for the affected lands based on the principles of entitlement matrix.

15. Compensation for affected trees in state land should be paid to Ministry of Ecology and Natural Resources.

16. Severely affected and vulnerable DPs were identified during RP preparation. They were entitled to cash compensation for the affected asset and privileged work opportunities in the construction period and maintenance period. Therefore, special investigation was carried out by the Consultant hired by ARS between January and March 2012 and list of severely affected DPs, as well as members of affected families willing to be involved such works was identified.

#### **2.2 Status of Payment of Compensation and Assistance to APs.**

17. All APs have received their compensation within the Highway 2 Project financed by the World Bank,<sup>3</sup> except 15 APs which were identified and reflected in the LARP prepared by

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<sup>3</sup> LARP implemented between 2009 and 2011.

the PPTA Consultant hired by ADB. One of those DPs signed an agreement with ARS and took his money from the local bank account in 2012. Owner of the affected business (restaurant) was already provided by the alternative land plot where he continues his operation.<sup>4</sup> Moreover, physically displaced affected family losing a fence has already been compensated in cash. Compensation for affected trees in state land (AZN95,533.3) had already been transferred to the account of the Ministry of Ecology and Natural Resources.

18. Currently, there are 14 pending issues with privately owned affected lands and affected municipality lands for 20 municipalities.

19. For private lands the progress is still up to the court's resolution on taking possession of those lands. For municipality lands the progress is up to the anticipated relevant decree of Cabinet of Ministers. Compensation for 14 DPs were already fully paid to the escrow accounts in the local bank. Compensations for affected municipality lands will be proceeded by ARS as soon as the cabinet of Ministers issue a decree.

20. Additional rehabilitation assistance in the form of employment of members of severely affected and vulnerable households (342 HHs) in project-related jobs has not implemented yet.<sup>5</sup> Cash compensation for those HHs were paid between in 2010 and then no activity has been carried out for them till now. ARS officials informed EMC that the list of those persons was already discussed within ARS and this will be implemented once the Contractor mobilized for the civil works.

**Table 1: Status of Compensation Disbursements for Cases included in the LARP**

N	Entitlement	Jalilabad			Masalli			Total for Project 1		
		Number of entitled DPs	Amount of compensation as per LARP (AZN)	Amount of actual compensation payment (AZN)	Number of entitled DPs	Amount of compensation as per LARP (AZN)	Amount of actual compensation payment (AZN)	Number of entitled DPs	Amount of compensation as per LARP (AZN) <sup>2</sup>	Amount of actual compensation payment (AZN)
1	Private land compensation	2	2,138.40	0	13	7,573.36	373.68	15	9,711.76	373.68
2	Compensation for affected municipal lands	1	8,084.07	0	19	28,644.00	0	20	36,728.07	0
	<b>TOTAL</b>		<b>10,222.47</b>	<b>0</b>		<b>36,217.36</b>	<b>0</b>		<b>46,439.83</b>	<b>373.68</b>

### 3. PUBLIC CONSULTATION AND GRIEVANCE PROCEDURE

#### 3.1 Disclosure of Resettlement Information

21. Information on the resettlement plan was disclosed during the preparation stage, after the draft resettlement plan was prepared and after the final resettlement plan was prepared.<sup>6</sup> In addition, the project design consultant, PIU staff, LAD specialists and external monitoring consultant timely disseminated information on the resettlement plan. In addition, external monitoring consultant conducted interviews with key informants and local officials.

22. The interviewed DPs expressed positive views on the Project as it would improve

<sup>4</sup> Confirmed in May 2013.

<sup>5</sup> Detailed information is provided in Annex D of the Report.

<sup>6</sup> July 2007; January–April 2008; August 2008; September 2009.



transportation, improve the country's access to world markets, and attract foreign investors. The interviewed APs also indicated that having transparent and truthful dialogue with the communities, local governments, and the ARS would contribute greatly to the success of the Project.

23. In addition, the LAD specialist together with the internal monitoring consultant had consultation meetings with APs, local authorities and key informants in all affected villages just after LARP approval. Cadastral maps of the affected areas were shown to DPs and details of the acquisition process were explained in the meetings. Also, a resettlement brochure was prepared by the monitoring consultant and distributed among APs in July 2009.

24. The EMC verified through interviews whether all APs were informed about their rights and details of the resettlement entitlements. The EMC discussed with officials of all affected municipalities and specialists of local land offices. Moreover, several interviews with DPs were held at the village centers. The meetings were held on Seybatin, Dadva, Khil and Goyachol villages between 05 May and 25 May 2013.<sup>7</sup> Based on these interviews, the EMC confirmed that all DPs were informed about their rights and entitlements on time as per LARP requirements. The questions they were asking are the construction schedule and locations of underpasses. Therefore, it was asked resettlement specialist and PIU of ARS to give information to DPs and local officials on schedule of civil construction.

### **3.2 Grievance Procedures**

25. Complaint and grievances were addressed through the grievance procedure which is composed of 4 steps as described in RP. Monitoring activities revealed that most of the complaints were resolved at the village level with the participation of field specialist of LAD and village authorities. According to village authorities, complaints received and resolved in the village level (step 1) were mainly technical issues such as identification of land boundaries, inventory of cultivated crops, etc. These complaints were reported verbally. Grievances that were not resolved in the village level were elevated to the Rayon LAR Commission together with the PIU of ARS. The LAR Commission and PIU worked together to solve grievances. Database of these grievances was prepared within the Highway II Project financed by the World Bank and handled by PIU.

26. Almost all of the complaints taken to the LAR Commission were technical issues such as land plot boundary verification. Currently there is not any unsolved complaint within the Project area.<sup>8</sup>

## **4. INSTITUTIONAL ARRANGEMENTS**

27. Since, the main task of LAD of ARS is to implement LARP for different Projects it fielded its 2 engineers in direct implementation of the LARP for areas covered by MFF2. LARP implementation for this particular road section began in 2009 and almost completed in 2011, except a few pending issues due to several reasons (APs living abroad, inheritance problems, documentation problems and etc.).

28. LAD has 15 engineering staff with an experience in implementing number of LARPs which were prepared within different projects. There have been several training for LAD staff

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<sup>7</sup> List of persons met and interviewed is shown in Annex C.

<sup>8</sup> Confirmed by LAD, PIU of ARS and village officials.

on LAR requirements of IFIs and explanation of procedures Azerbaijani legislation. However, it is observed that there has been several changes in the staffing by replacing older specialists with younger ones. Therefore, EMC consultant recommends preparation and delivery of special short-term trainings within next projects for LAD team on Safeguards requirements of ADB.

29. Project Implementation Unit (ARS-PIU), is responsible for general project execution, and tasked with day-to-day project activities at rayon/subproject levels. In addition, PIU has a full-time Safeguards Specialist that coordinates with the LAD, SC and the Contractor on safeguards related matters. He also records grievances raised in project area.

## 5. OBJECTIVE OF THE LARP AND COMPLIANCE TO ADB REQUIREMENTS

30. The LARP aims to assist APs by providing compensation sufficient to replace their lost assets and provide assistance to help them restore their livelihood. The modality and type of compensation and assistance to be provided to APs are summarized in the entitlements matrix agreed between ADB and the Government of Azerbaijan. Moreover, the LARP and ADB policy requires that adequate and meaningful consultation is done with APs and the establishment of a grievance redress mechanism. Table 2 below summarizes the implementation of activities vis-à-vis the LARP and ADB requirements.

**Table 2: Implementation of LARP Activities and ADB Requirements**

No	Item to be monitored	Compliance with LARP	Special remarks
1	Level of compensation rates	Compensation should be paid at replacement costs	Compensation rates were calculated based on current market prices which enabled APs to buy land/structure having same size and same quality
2	Consultation and participation	All stakeholders should be involved in consultative process, especially all affected persons, including vulnerable groups	All APs including vulnerable and severely affected groups were consulted during LARP preparation and implementation. Also, all stakeholders were involved in consultation activities.
3	Income restoration	To meet the requirements of the LARP on restoration of the economic and social base, people losing livelihood need assistance to rehabilitate and restore their lives  Special attention should be given to vulnerable and severely affected APs to help them to develop or restore pre-Project livelihood condition	Family members of affected households will be involved in civil works in order to gain additional income source  Severely affected and vulnerable APs were listed by the special study on the Project area. They will be provided by employment opportunities within the Project works <sup>9</sup>
4	Grievance Redress Mechanism (GRM)	All grievances should be received and addressed promptly through procedural steps described in the LARP	All grievance were received and solved promptly within the step 1 or 2 of the GRM

31. Based on the above analysis of resettlement performance, the EMC confirms that the objective of the LARP has been achieved and the resettlement implementation for the subproject for Project 1 meets the requirements of the ADB.

<sup>9</sup> Provision of employment should be closely monitored by PIU.

## **6. CONCLUSION AND LESSONS LEARNED**

32. Efforts were made by ARS to implement the LARP following the RF. In general, LARP was implemented based on the agreed schedules and manner.

33. Lessons learned from the implementation of the LARP for Project 1 of Masalli-Shorsulu Highway Project:

- LAD should be closely involved in the preparation of the LARP in order not to cause delays in the finalization and implementation phase.
- LAD should work closely with the State Property Committee and State Land and Cartography Committee in the land verification stage. Otherwise, there might be problems in cadastral maps.
- Post LARP evaluation should be conducted one year later in order to more effectively cover changes in APs livelihood and living conditions and impact on employment generation for APs on project-related activities.

## Annex A

### External Monitoring Indicators (Summary of Findings)

Monitoring Indicator	Remarks
<b>Basic Information on AP Households</b>	<ul style="list-style-type: none"> <li>No significant changes in the affected households socio-demographic characteristics and living conditions were noted during the EMC field monitoring. Since most of the affected households do not rely on the affected assets and have other primary income sources, their livelihood situation have basically remained the same.</li> <li>Access to health, education, utilities and other social services, as well as housing condition have remained the same for the surveyed households. Expected positive impact on land utilization will only happen once the new bypass is constructed as it will make some lands more accessible and economically viable for agriculture production.</li> </ul>
<b>Benefit Monitoring</b>	<ul style="list-style-type: none"> <li>No notable changes were observed in the APs patterns of occupation, production, and resource use compared to the pre-project situation. Likewise, no significant changes were observed in income and expenditure patterns, cost of living compared to the APs' pre-project situation. Income sources of APs have remained the same.</li> <li>A post LARP evaluation to be conducted one year later will attempt to determine possible changes in income and expenditure patterns and living conditions of APs</li> </ul>
<b>Restoration of Living Standards</b>	<ul style="list-style-type: none"> <li>Compensation for affected structures were made at replacement cost, free of depreciation.</li> <li>The affected businesses (restaurant) have resumed its activity on the new leased plot which was given by the government.</li> </ul>
<b>Restoration of Livelihood</b>	<ul style="list-style-type: none"> <li>Compensation payments were free of deduction from depreciation or other fees</li> <li>Majority of the interviewed APs reported that the compensation they received is sufficient to replace their lost assets.</li> <li>Affected business has resumed its activity on the other plot using compensation payments to rebuild lost structures</li> <li>Potential jobs to be provided to members of affected households will be monitored during project implementation and covered in the post LARP evaluation</li> </ul>
<b>Levels of AP Satisfaction</b>	<ul style="list-style-type: none"> <li>Interviewed APs confirm their knowledge of the LARP objectives and their rights/entitlements.</li> <li>Majority of the interviewed APs confirmed that the compensation they received is sufficient to replace their lost assets.</li> <li>Majority of the interviewed APs confirmed knowing about grievance and conflict resolution procedures</li> </ul>
<b>Effectiveness of Resettlement Planning</b>	<ul style="list-style-type: none"> <li>Affected assets were correctly identified, although problems emerged with the change in the land valuation from the PPTA and during project implementation.</li> <li>The implementation of the LARP was delayed substantially due to issues on the change in valuation of affected land.</li> <li>No special additional rehabilitation measures has so far been provided to severely affected and vulnerable households, except cash compensation for the affected lands and taking possession of those areas. However, provisions were made in the civil works contract to prioritize members of affected households especially those with limited income sources.</li> </ul>
<b>Other Impacts</b>	<ul style="list-style-type: none"> <li>Civil works have not started. Hence, no environmental impacts and impacts related to employment/income have been noted at the time of the monitoring</li> </ul>

## Annex B

### Updated Status of Pending Issues in Project 1

No	Name, Surname	No of Land Document	Acquired area, ha	Compensation amount (AZN)	Note
1	2	3	4	5	6
<b>Masalli rayon, Mollahasanli village</b>					
1	Mammadov İsrayıl	64	0.13	933.84	Lives in Russia
<b>Masalli rayon, Musakuche village</b>					
2	Ahadova Leyla	646	0.05	352.8	Lives in Russia
<b>Masalli rayon, Goyachol village</b>					
3	Ahmedova Xanı	607	0.097	698.8	Lives in Russia, Disputed inheritance matter among daughters
<b>Masalli rayon, Xıl village</b>					
4	Talıbova Arkinaz	761	0.062	447.84	Died, No heir and heiress
<b>Masalli rayon, Dadva village</b>					
5	Jafarov Feyzulla	140	0.014	97.92	Lives in Russia
6	Mammadov Valeh	184	0.15	1,080	Lives in Russia
7	Salimov Nariman	263	0.004	30.24	Inheritance problem
8	Guliyeva Sabiyya	266	0.19	1,368	Inheritance problem, Her son can not be found
9	Mammadov Eldaniz	330	0.06	527.76	Died, Disputed matter among brothers
10	Mammadova Ofelya	333	0.05	354.24	Lives in Russia (unknown address), Her son wants to take money upon court's decision
<b>Masalli rayon, Seybatin village</b>					
11	Bagırov Kamal	198	0.097	697.68	Lives in Russia
12	İsmayılöv Alihuseyn	239,239 A	0.085	610.56	Inheritance problem
<b>Jalilabad rayon, Soyudlu village</b>					
13	İsgandarov Qadiraga İslam	57	0.93	2,008.8	Refuses to interact with district and project staff. Being processed for expropriation <sup>10</sup>
14	İsayev Aydın Surxay	52	0.06	129.6	Lives in Russia

<sup>10</sup> The land officially belongs to a wretched man (İskandarov Gadiraga) who lives alone apart from people. He refuses ownership of this land parcels. Also, he does not want to interact with Government in any issues. This problem is not related to the Project. The persons were interviewed by the Consultant in February 2008. He told that he does not have any land and doesn't want anything from the Government. Therefore, ARS is going to take possession on this land just after the Court's resolution. For the time being, it is being reviewed by a court. The man can take money from local bank account within 10 years after the expropriation. On the other hand, the money will be transferred to the State Budget.

## Annex C

### Persons met during preparation of the External Resettlement Monitoring Report

No.	Name, Surname	Village/Work Place	Description
1	Akhmedov Ismikhan	Azerroadservice JSC, LAD	Engineer
2	Arastun Guliyev	ARS, PIU	Land Acquisition Specialist
3	Elshan Rustamov	ADB, AZRM	Resettlement Specialist
4	Hadiyev Hamil	Land Department of Masalli district	Chief
5		Seybatin village	Representative of EP in the village
6	Huseynaga Mammadov	Musakucha village	Deputy representative of EP in the village
7	Elbrus Karimov	Khil village	Representative of EP in the village
8	Mammadov Ayaz	Soyudlu village	Affected person
9	Mammadov Mehman	Seybatin village	Affected person
10	Imanov Latif	Seybatin village	Affected person
11	Humbatov Talib	Dadva village	Affected person
12	Hamidov Sujaddin	Seybatin village	Affected person
13	Cabbarov Cabbar	Seybatin village	Affected person
14	Mirzayev Nureddin	Goyachol village	Affected person
15	Bagirov Farzali	Goyachol village	Affected person
16	Rzayev Rza	Goyachol village	Affected person
17	Abasov Yaver	Goyachol village	Affected person
18	Abasov Famil	Goyachol village	Affected person
19	Gasimov Samit	Khil village	Affected person
20	Nabiyev Khalil	Khil village	Affected person
21	Nabiyev Khalid	Khil village	Affected person
22	Absov Barxaxan	Khil village	Affected person
23	Mammadov Teyyub	Khil village	Affected person

## **Annex D**

### **Information on addition rehabilitation measures for severely affected and vulnerable HHs.**

By July 2013, it was reported that 334 of these HHs have already got cash compensations for affected lands and received renewed land title documents, except 8 HHs which are pending due to court review. The EMC interviewed 6 of severely affected and vulnerable HHs.

After the compensation were paid in 2010 no other special survey was conducted for the severely affected and vulnerable HHs, except the special survey conducted by ARS in 2012 which covered all of severely affected and vulnerable HHs (342 HHs). The survey was carried out by involving one-by-one interview and filling out questionnaire regarding to the LARP provisions, entitlements and opinions on implementation.

The survey revealed that out of these HHs there are only 71 persons from 64 HHs who want to be employed in civil works or/and maintenance works by ARS. These 71 persons were listed by ARS together with detailed information on their background, experience and type of works they wanted to be involved. Education level of those 71 persons are: 4 high education; 2 vocational school and 65 secondary school.

In addition, ARS's report on severely affected and vulnerable persons (March, 2012) shows that 40.6% of these HHs used cash compensation for development of agricultural works, 33.3% used for provision of HHs needs including social services, 14.7% used for development of animal husbandry, 10.6% used for commercial activities, 0.5% used for construction, while 0.3% used for medical treatment.

Main income of those HHs were reported as following:

47.2% – agriculture; 18.5% – animal husbandry; 11.5% – commercial activities; 11.1% – salary/wages; 10.4% – state pensions; and 1.3% – other aids from relatives (usually relatives living abroad).

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2. In total, Project 1 required the acquisition of approximately 218.71 ha in 20 villages within the districts of Jalilabad, and Masalli—including 119.08 ha of private land, 58.4 ha of municipality-owned land and 41.33 ha of State reserve land. Impact to structures is limited to a restaurant complex and a fence for a residential plot in Masalli. Most of the affected trees are oak trees located on State land. Only 25 trees are located on 1 privately owned plot. A total of 687 households were affected. Most of whom lose a portion of their privately-owned agricultural land.

3. ARS has almost completed implementation of RAP which was prepared under Highway 2 Project financed by the World Bank. The due diligence assessment conducted by the PPTA consultant confirmed that compensation payments and consultation processes followed the provisions indicated in the approved Highway 2 Project RAP. Compensation payments were made as per the provisions in the RAP and no deductions/charges were made for depreciation, transaction and registration expenses.

4. However, there were several pending issues which were identified by the PPTA Consultant hired by ADB. Therefore, a new Land Acquisition and Resettlement Plan was prepared in July 2012 which consists of a few pending issues, including compensation of 15 privately-owned plots and municipality lands, as well as additional rehabilitation assistance for severely affected and vulnerable households.

5. To ensure that LAR-related activities for the project are implemented in compliance with the provisions of the LARP, internal monitoring was carried out by ARS/PIU.

6. As a result of internal monitoring it was revealed that there are not any incomplete land acquisition or transaction except 14 private lands and municipal lands. Moreover, for acquisition of 14 privately owned land parcels ARS has already applied to the appropriate court.

7. For affected municipality areas MoT requested the Cabinet of Ministers (CabMin) to solve the issue. Then CabMin asked MoT to prepare clear action plan with agreement of Ministry of Justice, Ministry of Finance and State Committee on Property Issues. MoT is in process of agreement of the prepared action plan with the mentioned agencies.

8. In addition, special activities are being done by ARS in order to provide additional rehabilitation assistance for severely affected and vulnerable households in terms of prioritization of able household members in job opportunities in civil works from the Project. Thus, ARS listed all of those family members who intend to work in civil works. These people will be given priority in job opportunities during and after the construction.

## **1. INTRODUCTION**

9. AzerRoadService (ARS) is implementing the Masalli–Astara Motorway project under Tranche 1 of Network Development Program with the ADB loan. The Investment Program is proposed to be divided into two tranches (projects). The first tranche (Project 1 – No: 45389) will involve the construction of the 30-km four-lane highway of the Alat–Masalli road between Jalilabad to Masalli connecting to section A of the Masalli–Astara Motorway being financed under Project 1 of the ADB-financed Road Network Investment Program. Tranche 2 (Project 2) will cover another 33-km of the same road section connecting to Section 2 of the World Bank financed Second Highway Project. This Internal Monitoring Report comprises monitoring of implementation of Land Acquisition and Resettlement Plan (LARP) for Project 1.

10. Project 1 alignment will run parallel with the railway track at Uzuntapa until the proposed Goytapa interchange where it will begin to veer away from it to finally end at the proposed interchange south of Masalli which is the beginning of the ADB-financed portion of the Highway. The road will have 3 interchanges (Jalilabad, over Masalli Railway Station, and a road overpass within the town of Masalli itself), bridges over the existing highway and rivers, underpasses and a railway crossing. Installation of rest areas, road furniture, signs and markings for traffic safety and control devices and others as well as drainage culverts and canals will also be undertaken. Road furniture (e.g. crash barriers, reflective road markers, traffic signs, fencing, lighting and markings will be according to the national standards for a Category I road.

## **2. INSTITUTIONAL ARRANGEMENT**

11. AzerRoadService (ARS) under the Ministry of Transport (MoT) is the Executing Agency and has overall responsibility for the Project including the preparation, implementation and financing of all land acquisition and resettlement (LAR) related tasks and cross-agency coordination. The Project Implementation Unit (PIU) of ARS is responsible for implementation of the Project.

12. The LAR tasks are being carried out by ARS's Land Acquisition Department (LAD), which has organized and internally monitored the LARP preparation and implementation (including surveys, asset valuation, community consultation), LAR related cross-agency coordination, and LARP approval.

## **3. BUDGET AND TIMEFRAME**

13. ARS is responsible for all land acquisition costs associated with Project 1, including LAR administration and monitoring.

14. Total compensation budget was AZN978,270.81 according to the RAP (that was prepared within Highway II Project financed by the World Bank). However, the LARP prepared within Project 1 comprised only compensation for 15 pending issues with privately owned lands and municipality lands. Total amount of compensation for pending private lands was AZN9,711.76; for municipal lands was AZN36,728.07.

15. Local Bank accounts were opened in local branches of Kapital Bank on June 2010 for the pending 14 APs and calculated compensations were deposited to the mentioned

accounts by ARS. Legal Department of ARS applied to the appropriate court in order to solve the pending issues.<sup>11</sup>

16. Since the mentioned 14 issues are with the court, there is nothing to be done from ARS side at the moment for privately owned lands. However, any of the pending issues can be solved directly upon returning of the DPs from Russia. In this case, the AP sign an agreement and can withdraw money from their local bank accounts.

17. For municipality lands, the Cabinet of Ministers instructed MOT to coordinate with four other ministries to develop an action plan for the compensation of affected municipality land in September, 2012. A draft decree designating MOT as the acquiring agency has been prepared for consideration by the Cabinet of Ministers. Afterwards, transfer of funds from MOF to the concerned municipalities will be done. However, ARS-LAD will obtain agreement from the concerned municipalities to allow civil works on municipal land while the documentation, approvals and transfer of funds from the Central Government to the municipalities are being completed

#### 4. DELIVERY OF ENTITLEMENTS OF DISPLACED PERSONS

##### Land Compensation

18. The LARP considered compensations for the 15 privately-owned plots whose owners have migrated to Russia, deceased or refusing the compensation payment. However, during internal monitoring it was revealed that one of them has already got his money after making order of required documentation. The solved issue is situated in Seybatin village of Masalli district. Currently, there are 14 pending cases for private lands. 2 of them is in Soyudlu village of Jalilabad rayon, while 12 of them is situated in 6 villages of Masalli rayon. ARS has applied to the court for appropriate decision.

19. The following table shows detailed information on the status of pending issues with private lands:

**Table 1: Pending issues with privately owned lands**

No	DP Initials	Village	Affected land portion (ha)	Calculated compensation amount (AZN)	Reason for Pending Compensation Payment
MASALLI					
1	MI	Mollahasanli	0.130	933.84	Lives in Russia.
2	AL	Musakucha	0.050	352.80	Lives in Russia
3	AX	Goyachol	0.097	698.80	With inheritance issue. One of family members is living in Russia
4	TA	Khil	0.062	447.84	With inheritance issue.
5	JF	Dadva	0.014	97.92	Lives in Russia
6	MV	Dadva	0.150	1,080.00	Lives in Russia
7	SN	Dadva	0.004	30.24	With inheritance issue
8	GS	Dadva	0.190	1,368.00	With inheritance issue
9	ME	Dadva	0.060	527.76	Lives in Russia
10	MO	Dadva	0.050	354.24	Lives in Russia
11	BK	Seybatin	0.097	697.68	Lives in Russia
12	IA	Seybatin	0.085	610.56	With inheritance issue
Subtotal for Masalli			1.041	7,199.68	

<sup>11</sup> Application was sent to the court in June 2012, but after the Court's additional requests the documents were again updated and sent to the court on 26 January 2013.

No	DP Initials	Village	Affected land portion (ha)	Calculated compensation amount (AZN)	Reason for Pending Compensation Payment
JALILABAD					
13	IG	Soyudlu	0.930	2,008.80	Refuses to interact with district and project staff. Being processed for expropriation
14	IA	Soyudlu	0.060	129.60	Lives in Russia
Subtotal for Jalilabad			0.990	2,138.40	
Total (pending compensation for affected private land)			2.031	9,338.08	

20. For affected municipality areas MoT requested the Cabinet of Ministers (CabMin) to solve the issue. Then CabMin asked MoT to prepare clear action plan with agreement of Ministry of Justice, Ministry of Finance and State Committee on Property Issues. MoT is in process of agreement of the prepared action plan with the mentioned agencies.

**Table 2: Status of compensation payment in general**

Category	District	Land Classification	Area	Unit Cost (including 20% premium)	Calculated Amount of Compensation (AZN)	Actual Amount Paid (as of February 2013)	Unpaid Amount	Complete %
Private	Jalilabad	Agricultural	10.60	2,160	22,896.00	20,757.60	2,138.40	90.7
		Homestead	0.84	6,000	5,040.00	5,040.00	–	
	Masalli	Agricultural	107.21	7,200	771,912.00	764,712.32	7,199.68	99.1
		Homestead	0.43	8,400	3,621.00	3,621.00	–	
	Subtotal		119.08		803,469.00	794,130.92	9,338.08	98.8
Municipality	Jalilabad	Agricultural	2.40	1,500	3,600.00	–	3,600.00	
		Non-agri	3.00	166.96	500.88	–	500.88	
		Pasture	15.14	263.18	3,984.00	–	3,984.00	
	Masalli	Agricultural	10.82	2,160	23,371.20	–	23,371.20	
		Non-agri	15.81	166.96	2,640.31	–	2,640.31	
		Pasture	11.11	236.96	2,631.68	–	2,631.68	
	Subtotal		58.28		36,728.07	–	36,728.07	0.0
	Total		177.36		840,197.07	793,757.24	46,066.15	94.5

### Compensation for Structure and Tree Losses

21. Both the restaurant complex in Mallahasanli village and the fence of a residential plot in Samidkhan village in Masalli had been compensated as per the provisions in the approved Highway 2 Project RAP prior to LARP preparation within ADB financed MFF. Total amount of compensation paid is AZN35,222.53 (33,906.00 for the restaurant complex and 1,316.53 for the fence).

22. Compensation for affected trees (25 in private areas, 3,833 in state lands) had already been transferred to appropriate bank accounts of affected parties (total amount is AZN95,806.70).

### Issuance of new land certificates for remaining land to DPs

23. All DPs who have received their compensation have also received new land registration certificates for their remaining plots. Costs related to land re-registration and documentation were paid by the ARS.

*Additional rehabilitation assistance for severely affected and vulnerable households in terms of prioritization of able household members in job opportunities in civil works from the Project*

24. Special survey<sup>12</sup> was conducted in 2011 by ARS in order to identify needs of severely affected and vulnerable households in terms of job opportunities. As a result of the survey unemployed family members of those families were listed. The list also shows occupations of those people. ARS will give the list to the Contractor to provide job opportunities.

## **5. CONSULTATION, PARTICIPATION AND GRIEVANCE RESOLUTION**

25. During different stages of LARP implementation, consultations were held according to procedures and rules considered in Resettlement Plan. Thus, 4 public consultations were held in each of the Project rayons. In addition, LAD and PIU specialist always have been working in cooperation with local Municipalities.

26. Information brochures were prepared and disseminated in the Project area. In addition, a new brochure comprising construction schedule and relevant information will be prepared and disseminated prior to the construction starts.

27. Currently, there is not any active complaint in the area. But, if there will be any grievance in the Project area it will be solved according to procedures reflected in LARP. Complaints will be filed by the Consultant Engineer together with the Contractor and will submit to PIU periodically.

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<sup>12</sup> Summary of survey results is attached to the report as an annex.

## Annex 1: Summary of the survey for identification of needs of severely affected households in terms of job opportunities

A special survey was carried out within the Alat–Masalli Road project in order to identify employment needs of severely affected people. The survey was conducted by means of questionnaires and interviews and covered all HHs considered as a severely affected. An independent consultant in assistance with the Land Acquisition Division was responsible for the survey.

In total 342 households were considered as a severely affected within the area of Project 1 (Uzuntapa–Masalli). Skills and level of educations of those are interested in working in road construction or maintenance were also listed.

Table showing summary of results:

C/c	Rayon and villages	Severely affected or vulnerable HHs	Number of HHs willing to work	Number of persons willing to work
1	Jalilabad, Soyudlu	5	3	5
	<b>Sub-total:</b>	<b>5</b>	<b>3</b>	<b>5</b>
	<b>Masalli</b>			
2	Такла	3	0	0
3	Моллащяяли	60	17	19
4	Сыдынъаг	11	8	8
5	Эейяшол	55	6	6
6	Мусакуше	70	1	1
7	Чакхырлы	13	4	4
8	Онъегала	9	5	7
9	Хыл	18	6	7
10	Агакишибейли	32	12	12
11	Дадва	34	2	2
12	Sharafa	3	0	0
13	Бала Такла	2	0	0
14	Сейбетин	27	0	0
	<b>Sub-total:</b>	<b>337</b>	<b>61</b>	<b>66</b>
	<b>Grand Total:</b>	<b>342</b>	<b>64</b>	<b>71</b>