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# GANJA WASTEWATER PROJECT, AZERBAIJAN

## RESETTLEMENT FRAMEWORK

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## RESETTLEMENT FRAMEWORK

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**ABBREVIATIONS**

ASWRA	Azerbaijan State Water Resources Agency
AZN	Azerbaijan manat
E&S	environmental and social
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESP	Environmental and Social Policy (of the EBRD)
EU	European Union
NGO	Non-Governmental Organization
PAH	Project-affected Household
PAP	Project-affected Person
PE	Population Equivalent
PMU	Project Management Unit
PR	Performance Requirement (of the EBRD)
RA	Republic of Azerbaijan
RF	Resettlement Framework
RP	Resettlement Plan
SEP	Stakeholder Engagement Plan
SPZ	Sanitary Protection Zone
WWTP	Wastewater Treatment Plant

## GLOSSARY

<b>Involuntary Resettlement</b>	<p>Impact caused either by project-related land acquisition or by restriction of access to land or natural resources. Impacts covered by “involuntary resettlement” include both “physical displacement” (relocation or loss of shelter) and “economic displacement” (loss of assets or access to assets that leads to loss of income sources or means of livelihood).</p> <p>Resettlement is considered <i>involuntary</i> when affected individuals or communities do not have the right to refuse land acquisition that results in displacement (e.g., in case of expropriation or restrictions on land use based on eminent domain and negotiated settlements in which the buyer can resort to expropriation).</p>
<b>Project Affected Person (PAP)</b>	Person or enterprise experiencing either physical or economic displacement.
<b>Project Affected Household (PAH)</b>	Household experiencing either physical or economic displacement.
<b>Cut-off Date</b>	Date prior to which the occupation or use of land plots in the Project area makes residents/users of the Project area eligible to be categorized as PAPs. In other words, this is the deadline for the eligibility / right to receive compensation.
<b>Compensation</b>	Payment in cash or kind for an asset to be acquired or affected by a project at replacement cost. This is typically understood to include all forms of compensation, including the provision of replacement land and housing. For clarity, compensation should be used only in the context of the loss of assets. It does not include allowances paid or provided in respect of various inconveniences not directly related to the loss of an asset or vulnerability, nor should it include livelihood restoration allowances or activities.
<b>Replacement Cost</b>	Method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.
<b>Allowance</b>	Cash paid in respect of losses or resettlement related expenses other than losses of assets (thus, it is distinguished from ‘compensation’). For instance, a “transportation allowance” can be paid to PAPs who have to relocate as a result of Project land acquisition.
<b>Entitlement</b>	A range of measures comprising compensation in cash or in kind, income restoration, transfer assistance, income substitution, and relocation which are due to PAPs, depending on the nature of their losses, to restore their economic and social base.
<b>Grievance Mechanism</b>	The process established under law and EBRD requirements, local regulations, or administrative decisions to enable property owners and other PAPs to redress issues related to acquisition, compensation, or other aspects of resettlement.
<b>Household</b>	All persons living together as a single social unit (typically sharing the food costs). They

	are identified in a census being an instrument of their recognition and legitimacy to receive compensation, rehabilitation and assistance under the Project.
<b>Livelihood</b>	A full range of means that individuals, families and communities utilize to make a living, such as wages from employment; cash income earned through an enterprise or through sale of produce, goods, handicrafts or services; rental income from land or premises; income from a harvest or animal husbandry, share of a harvest or livestock production; self-produced goods or produce used for exchange or barter; self-consumed goods or produce; food, materials, fuel and goods for personal or household use or trade derived from natural or common resources; pensions and various government allowances.
<b>Livelihood Restoration</b>	Specific allowances or activities intended at supporting PAPs efforts to restore their livelihoods to pre-project levels. Livelihood restoration should preferably be distinguished from compensation. Livelihood restoration measures typically include a combination of cash or other allowances and support activities such as training, agricultural assistance or business enhancement.
<b>Disadvantaged or vulnerable persons or groups</b>	Those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon whom they depend.
<b>Vulnerable Household</b>	A household, which might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement such as a household living below the poverty line; female-headed households with fewer than two adult income-earners; large household with four or more children below 18 years; household with disabled members; elderly with no family support.
<b>Legalizable PAP</b>	A PAP who has no registered ownership or other property rights toward the affected land and/or adjacent building/asset but is legally eligible to obtain such by the force of law (including customary and traditional rights recognised under national laws).
<b>Non-legalizable PAP</b>	A PAP who does not have legal right or claim to the affected land and adjacent asset that he/she occupies and uses.

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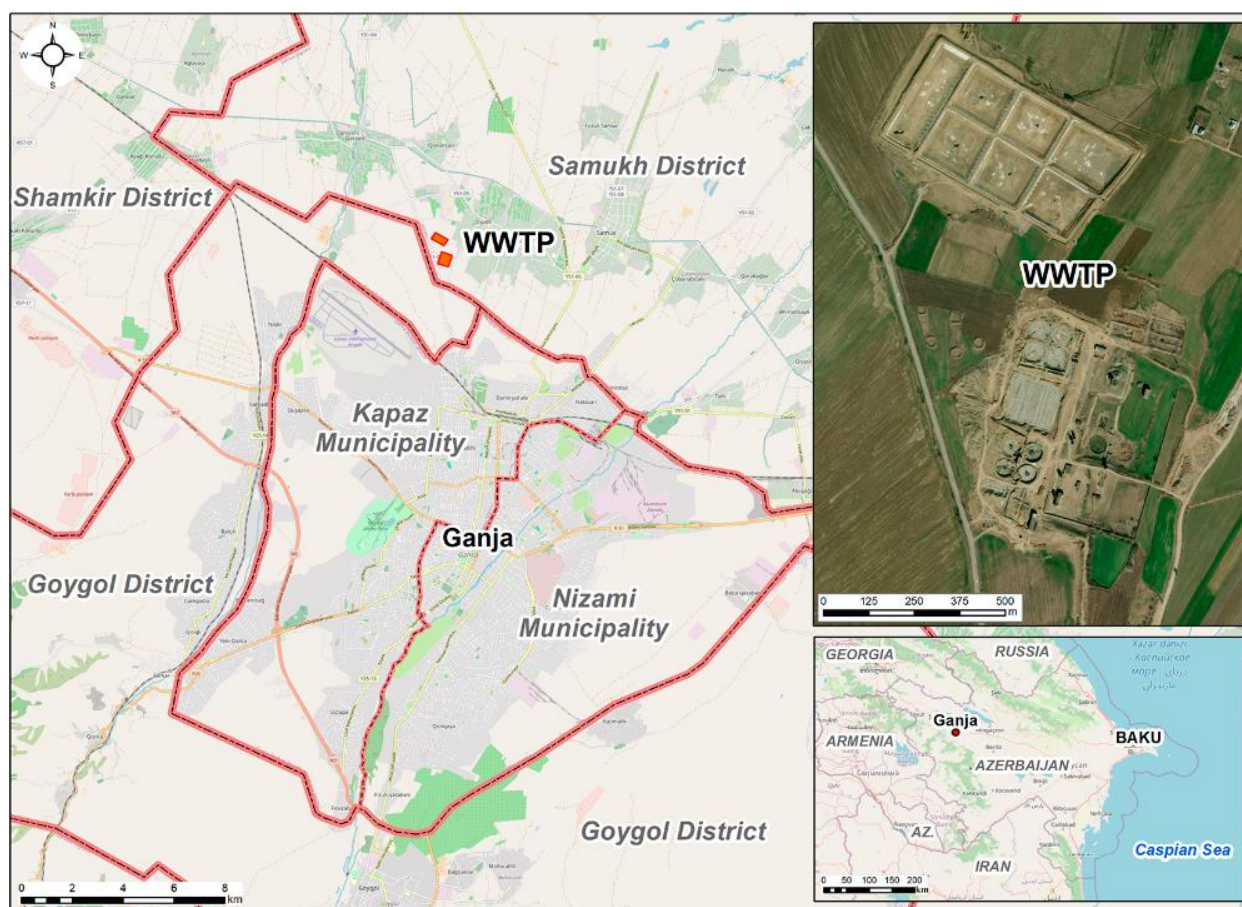
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## 1 INTRODUCTION

The European Bank for Reconstruction and Development (the EBRD or the Bank) is considering providing finance to the Azerbaijan State Water Resources Agency (ASWRA or the Client) for construction of the Ganja Wastewater Treatment Plant (WWTP) (the Project). The proposed Project is one of the components of the wider Ganja Water and Wastewater framework project and Priority Investment Programme being implemented under the Ganja Green City Action Plan<sup>1</sup>.

Ganja City is the third largest city in Azerbaijan, with a population of around 330,663 people<sup>2</sup>. It has no WWTP and its wastewater network is outdated. The Project aims at creating wastewater treatment solutions for Ganja, and thus improving the environmental and public health situation. The proposed WWTP will be located 2.3 km north of Ganja, on the existing WWTP site where construction commenced in the 1980s, but was never completed (**Figure 1**).



Source: prepared by the Consultant

**Figure 1. Location of the Ganja WWTP Site**

ASWRA, a state-owned company, was established in 2023 to oversee the management and governance of all water resources in Azerbaijan, including providing water supply and wastewater collection and sewage treatment services in Ganja City. ASWRA will implement the Project with support of its Ganja branch and the Project Implementation Unit.

<sup>1</sup> EBRD. 2025. GrCF3 W2 - Ganja Water and Wastewater. <https://www.ebrd.com/work-with-us/projects/psd/55197.html>

<sup>2</sup> RA State Statistical Committee. 2024. Demographic indicators of Azerbaijan. [https://www.stat.gov.az/menu/6/statistical\\_yearbooks/?lang=en](https://www.stat.gov.az/menu/6/statistical_yearbooks/?lang=en)

The WWTP Project has been categorised as “A” according to the EBRD’s 2019 Environmental and Social Policy (ESP)<sup>3</sup>. This means that the Project is subject to an environmental and social impact assessment (ESIA) and participatory disclosure and consultation process, including a 120-day disclosure of the Project’s environmental and social documents package. The EBRD will take a decision about the approval of the Project after the disclosure period.

The ESIA revealed that, while the WWTP will be constructed on the ASWRA-owned land, the Project is likely to cause economic displacement due to:

- loss of assets along the proposed 4.5 km effluent discharge pipeline and within its safety buffer zone, as well as along the access roads,
- either loss of assets or restricted land use within the sanitary protection zone (SPZ) of the WWTP. The exact size of the SPZ is unknown in this early Project development stage; it will be determined in the SPZ Design Document to be prepared at the detailed design stage. Land acquisition or land use restrictions may occur if some parts of the SPZ fall outside the ASWRA-owned land.
- A potential need to acquire additional space (adjacent to the WWTP site) for a long-term storage of sludge, if this sludge cannot be re-used in agriculture or cannot be accommodated within the ASWRA-owned land.
- Informal use of land owned by ASWRA for grazing and of abandoned structures on this land, as shelters for livestock.

The Project will not trigger physical displacement if the detailed design is streamlined based on the ESIA recommendations and EBRD PR5 avoidance principles (see also [Section 2.3](#)), and if the SPZ-related mitigation delivered.

Thus, this document – *Resettlement Framework* (“RF”) – has been prepared to outline principles and provide guidance for future land acquisition, compensation, and livelihood restoration activities related to the Project facilities (and the associated facilities, to the extent known). The RF is drawn in compliance with the applicable EBRD requirements and national regulations ([Section 3](#)). It sets a framework for development of a Resettlement Plan (RP) for the Project. The RF forms part of the environmental and social package and will be disclosed for 120 days as well.

## 2 PROPOSED PROJECT OVERVIEW AND TIMELINE

### 2.1 Project Facilities

The proposed WWTP’s design capacity is about 95,540 m<sup>3</sup>/day average flow, which is 400,000 Population Equivalent (PE). The WWTP can serve the entire Ganja City, accommodating the current population and projected growth, and ensure:

- a treated effluent that is EU-compliant as well as meeting national discharge standards, and meeting discharge standards for disposal to receiving waters;
- a stabilized sludge suitable for reuse or final disposal.

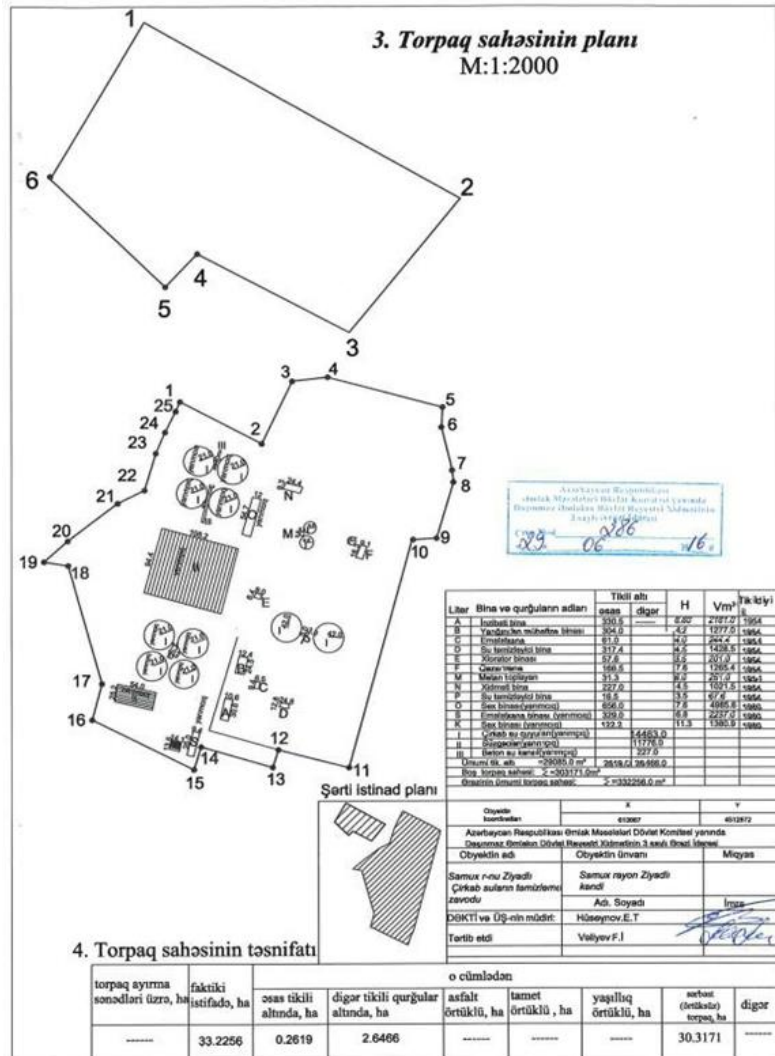
In 2024, a Feasibility Study Update Report was completed for the wider Ganja Water and Wastewater Project, including the current WWTP Project<sup>4</sup>. Earlier, in 2016, a national

<sup>3</sup> <https://www.ebrd.com/home/news-and-events/publications/institutional-documents/environmental-and-social-policy-2019.html>.

<sup>4</sup> SWEKO, 2024. Ganja Water and Wastewater Feasibility Study Update, Feasibility Study Report.

Environmental Impact Assessment (EIA) was developed<sup>5</sup> for the WWTP project and a positive statement (EIA approval) was issued by the Environmental Expertise body of the Ministry of Ecology and Natural Resources in 2016. The EIA and State Environmental Expertise procedures are expected to be undertaken for the Project at the detailed design stage.

The WWTP Project will be located on the existing site, made of two separate land plots (**Figure 1** and **Figure 2**). The northern land plot accommodates the effluent ponds<sup>6</sup> that were renovated under the KfW project in 2020; and the southern one hosts semi-built and abandoned structures that remained from the earlier construction. The total area of these two ASWRA-owned land plots is approx. 33 ha, and the estimated area required for the WWTP Project structures with a capacity of 400,000 PE would be ca. 15 ha.



**Figure 2. Cadastre map of the Ganja WWTP site (location of existing infrastructure indicated in the map) provided by ASWRA (2025)**

ASWRA has explored different ways to manage treated wastewater. It is planned to construct a discharge pipe to transport the treated effluent into the irrigation canal during the growing season

<sup>5</sup> Dornier-Schneider Consulting. 2016. Additional Investigation Study for the Wastewater Treatment Plants in Ganja and Sheki-Programme Phase 3. Part 1.3 Ganja Wastewater Treatment Plant. Volume 3: Environmental Impact Assessment Report.

<sup>6</sup> The designation of the area for these effluent ponds will be reconsidered during the detailed design of the WWTP.



for reuse in agriculture. During the non-growing season, the treated effluent would be discharged into the Goshgarchay (Goshgar) River.

The 4.5 km effluent discharge pipeline is to be constructed from the WWTP to the Shyamkir Irrigation Canal and then to the Goshgar River. The effluent line would run from the existing effluent ponds, traverse the adjacent fields (agricultural area) via the existing route of the old discharge line (the first 2.4 km – to be partially rehabilitated) to the Shyamkir Irrigation Canal, to which it will connect. Then, a 2.1 km new section of the pipeline would run along this canal to Garayeri village and then to the Goshgar River (**Figure 3**).



Source: prepared by the Consultant

**Figure 3. Possible effluent pipeline route from the WWTP to the Goshgar River**

## 2.2 Associated Facilities<sup>7</sup>

There are no associated facilities for the proposed WWTP. A new power transmission line and substation to connect the WWTP to the national electrical grid, access roads, on-site communications<sup>8</sup> and other needed infrastructure will be part of the design and will be elaborated in the detailed design.

A main sewage collection pipeline has already been constructed from Ganja to the WWTP site, hence is not a part of this WWTP Project.

<sup>7</sup> According to the EBRD ESP (2019), associated facilities are the facilities or activities that are not financed by EBRD as part of the project but which in the view of EBRD are significant in determining the success of the project or in producing agreed project outcomes. These are new facilities or activities: (i) without which the project would not be viable, and (ii) would not be constructed, expanded, carried out or planned to be constructed or carried out if the project did not exist.

<sup>8</sup> According to the Client, the pipeline bringing treated wastewater from the WWTP to the effluent ponds was constructed in the past.

Should associated facilities appear in the future, any involuntary land acquisition or land use restrictions caused by them should comply with the principles outlined in this RF.

### 2.3 Design Solutions to Minimise Physical and Economic Displacement

The site was selected in the early 1980s with due consideration of a SPZ, i.e., far enough from any residential houses, as such were not allowed within SPZs. The residential development intensified in the early 2010s and started approaching the WWTP site from the east / northeast. As of today, the closest houses of Ziyadli village appeared to be 300m northeast from the WWTP site and 125m from the effluent ponds. The Client is aware of the need to establish the SPZ for the WWTP. The normative SPZ is 500 m according to the national regulations (see [Section 3.1.3](#)), however its smaller size can be justified and officially approved if technical solutions are adjusted, emitting facilities are sited as far as possible from the houses, Best Available Technologies are used for capturing and treating emissions, and the prevailing winds are prudently considered. The Client intends to take all possible design actions to reduce the size of the SPZ for the Ganja WWTP, ideally so that it matches the boundaries of the land plots owned by ASWRA. Thereby, the physical displacement impacts will be avoided.

Avoiding economic displacement does not seem to be possible. However, during the detailed design, actions will be taken to minimise it by routing the effluent pipeline through the state-owned land and, when this is impossible, by aligning it with the existing roads or irrigation canals or with the borderlines / edges of land plots to avoid 'orphaning' land and minimise impact on crops. Further, ASWRA plans to reconstruct the existing discharge canal<sup>9</sup> into the new effluent line. This will allow to minimise the impact on land and other assets for over half of the proposed route (2.4 km out of 4.5 km). The planning of access roads will following the same land impact minimisation principles.

### 2.4 Indicative Information about the Project Timeline

The tender process for the design and build contract for the Project was initiated in autumn 2025. Construction works will indicatively start in 2027 subject to successful procurement and following completion of detailed design and land acquisition (where relevant).

The construction period will be around 36 months.

The WWTP will operate for 50 years (civil works) and 15 years (mechanical works).

## 3 LEGAL AND POLICY FRAMEWORK

### 3.1 National Legislation of the Republic of Azerbaijan (RA)

Land acquisition and resettlement legislation of Azerbaijan consists of the Constitution of the RA, Land Code, Civil Code, the Law on Acquisition of Land for State Needs, and other laws and by-laws, as is summarised below.

#### 3.1.1 Key laws

The *RA Constitution*<sup>10</sup> recognizes the citizens' right to own, use and dispose property. It establishes three types of property ownership - state, municipal and private (Article 13). It guarantees that no one will be deprived of their property without their consent or decision by the

<sup>9</sup> The existing 8.2 km discharge canal is owned by ASWRA (conditional upon paying compensation to private properties within 10m buffer strips to both sides of the canal). This discharge line requires rehabilitation on its own.

<sup>10</sup> Adopted on November 12, 1995, with latest amendments from September 26, 2016. <https://constcourt.gov.az/az/legislation/52>

court of law and that alienation of private property for state needs will be allowed only after payment of fair compensation to the owner (Article 29).

The *Land Code*<sup>11</sup> also recognizes three types of land ownership: state, municipal, and private and states that all property types are treated equally and protected by the state. As per Article 101, compensation must be provided in full to landowners, users, and lessees for any damages resulting from land acquisition, temporary land use, restrictions on their rights, or any degradation of soil quality. This includes covering costs incurred due to early termination of obligations made to third parties. Disputes relating to compensation are considered in a court in line with legal procedures. Articles 110 and 111 describe illegal occupation of land plots and implementation of illegal construction on land plots as violations of the land legislation. Any damage caused by illegal occupation must be compensated by the illegal land user.

The *Civil Code*'s<sup>12</sup> Articles 246, 247, 248 and 249 outline provisions for land acquisition for state needs. The Code requires the Decree on acquisition of lands for state needs be registered in state real estate registry. It also states that the relevant executive agency should:

- i. Provide written notice to affected persons regarding the planned acquisition.
- ii. Pay compensation to the affected persons within 90 days of finalizing the land transaction agreement.
- iii. Assist affected individuals in vacating the land and relocating to a new residence, in accordance with the law.
- iv. Compensate for any affected assets based on the market rates.

Article 247 specifies that compensation will be calculated based on market value, and if this is not feasible, replacement cost will be used. The Civil Code states that affected person can select one or more type of compensations. It also states that land may be acquired from owners for state needs as approved by the relevant courts.

The *Law on Acquisition of Land for State Needs*<sup>13</sup> address matters related to involuntary resettlement (though this term is not used), including the process and institutional arrangement for land acquisition, compensation and valuation, consultation requirements, entitlements of various categories of displaced persons and grievance mechanism. The authority acquiring land for state needs is determined by a decision on the existence of a state need requiring the acquisition of land, adopted in accordance with Article 9.1 of the Law, and the acquisition of land for state needs is carried out on behalf of the state. The law considers various categories of displaced persons, including owners, legalizable users, renters, unregistered long-term users of land, and individuals living on land without legal rights. The law entitles persons who have no legal rights for land to resettlement assistance and compensation for their non-land assets. It includes provision of compensation for loss of business/income, transition allowance and transportation support, and compensation for loss assets based on replacement cost. In case of physical displacement, the acquiring authority needs to send notification to affected owners at least 60 days before resettlement (Article 44.1.3).

The *Law on Land Lease*<sup>14</sup> states that when the leased land is acquired for state needs, another land plot having the same size and the same quality can be provided to lessee (Article 16). Losses incurred in this land shall be paid in accordance with the legislation.

The *Law on Valuation Activity*<sup>15</sup> states that valuation of the real estate is mandatory in the cases of land acquisition for state needs and the results of the valuation are to be reflected in valuation

<sup>11</sup> Adopted on June 25, 1999, with latest amendments from July 14, 2025. <https://e-qanun.az/framework/46942>

<sup>12</sup> Adopted on December 28, 1999, last revised on July 12, 2023. [https://e-qanun.az/framework/46944#\\_edn285](https://e-qanun.az/framework/46944#_edn285)

<sup>13</sup> Adopted on April 20, 2010, last revised on March 18, 2025. <https://e-qanun.az/framework/19613>

<sup>14</sup> Adopted on December 11, 1998, last revised on February 24, 2023

<sup>15</sup> Adopted on June 25, 1998, last revised on April 20, 2012.



reports. It establishes guidelines, standards, and procedures for conducting assessments of property, land, and other assets for various purposes such as taxation, transactions, and development projects.

### 3.1.2 Key by-laws

There are also several relevant by-laws (the list is not exhaustive):

- Decree of the President No. 506-3 QD (7 December 2007) requires providing 20% additional compensation on top of the calculated market price of the acquired property.
- Decree of the President (15 February 2011) includes directives for government bodies on acquiring land for state purposes, procedures for compliance, and mechanisms for monitoring and enforcing the law.
- Cabinet of Ministers' Resolution No.45 (24 February 2012) on approving the "Regulation on preparation of resettlement plan and resettlement instructions" outlines the guidelines for preparing a resettlement plan, including an example of the plan's content, and offers general directions. A resettlement plan is mandatory only when the number of displaced persons reaches 200 or more.
- Cabinet of Ministers' Resolution No. 55 (21 April 2011) contains guidelines and criteria for selection of a person or organization that prepare resettlement plans or resettlement instructions.

### 3.1.3 Requirements for SPZ and safety buffers

SPZs around WWTPs are regulated by state building rules and regulations "*Planning and construction renovation of city, town and rural settlement*" AzDTN 2.6.1. (2001) and AzDTN 2.11-2 "Sewerage. External network and facilities".<sup>16</sup>

These zones serve to mitigate health risks by ensuring a buffer between WWTPs and residential or sensitive areas (such as public facilities and food industry areas). The size of the SPZ depends on the capacity and type of the facility, to prevent contamination and odour issues. AzDTN 2.11-2 sets a 500 m normative SPZ for WWTPs with a capacity of over 50,000 m<sup>3</sup>/day (which is a case for Ganja WWTP).

The size of SPZ for the planned WWTP facility will be determined by ASWRA at the detailed design, in consultation with the authorized bodies. As per AzDTN 2.11-2, the SPZ "may be increased by up to 2 times in cases where residential buildings are located in areas where the wind blows from the direction of the treatment facilities, or reduced by up to 25% in the event of a favourable wind schedule".

A protection buffer strip is to be arranged for the effluent discharge pipeline. This buffer is set at 10 m strips to both sides of the pipeline and ensures access to the facility during operations and maintenance.

## 3.2 EBRD Requirements

The EBRD requires this Project to comply with the EBRD ESP (2019) and a set of specific Performance Requirement (PRs) covering key environmental and social issues. The RF considers the requirements of the following EBRD PRs:

- PR1: Assessment and Management of Environmental and Social Risks and Impacts;

<sup>16</sup> AzDTN 2.11-2 Kanalizasiya. Xarici şəbəkə və qurğular. <https://arxkom.gov.az/qanunvericilik/normativler/muhendis-sistemleri/kanalizasiya-xarici-sebeke-ve-qurgular> [NB: this standards superseded SNiP 2.04.03-85 "Sewerage. External networks and structures"].

- PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement; and
- PR10: Information Disclosure and Stakeholder Engagement.

The EBRD PR1 requires assessing social, including land acquisition-related, risks and impact and developing and delivering the relevant mitigation measures.

The key requirements of the EBRD's PR5 are to:

- avoid or, when unavoidable, minimise, involuntary resettlement by exploring alternative project designs;
- mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to assets and land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
- restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels; and
- improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites.

PR5 is applied when resettlement is considered *involuntary*, that is when affected individuals or communities do not have the right to refuse land acquisition resulting in displacement. EBRD interprets *involuntary resettlement* as referring to both physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition or restriction on land use / access to natural resources. PR5 also requires identifying informal occupiers / users of land or asset (persons who have no recognisable legal right or claim to the land or assets they occupy or use), and, if there are any, providing relevant compensation and support as per PR5.

Key PR10 requirements pertaining to stakeholder engagement in the context of land acquisition / resettlement are as follows:

- give affected persons an opportunity to participate in the eligibility requirements, negotiation of the compensation packages, resettlement assistance, suitability of proposed resettlement sites and proposed timing;
- continue consultation during the implementation, monitoring and evaluation of compensation payment and resettlement to achieve outcomes that are consistent with the objectives of PR5; and
- ensure that grievances from affected communities and other stakeholders are responded to and managed appropriately.

### 3.3 Gap Analysis

This section reviews the national land acquisition and resettlement legislation against the relevant EBRD requirements. The RA has a well-developed and an extensive land acquisition legislation that is largely aligned with the EBRD requirements, with only few differences. The analysis as well as measures suggested to address the differences are provided in **Table 1**.



**Table 1. Resettlement Gap Analysis: RA Legislation vs. EBRD Land Acquisition Requirements**

Theme / issue	Azerbaijani Legislation	EBRD PR5	Measures to bridge the gap
Avoidance or Minimisation of Displacement	Avoidance and minimisation of displacement is not explicitly required by national law. Any land required for state needs can be transferred to the state upon reaching an agreement with the owner.	The client shall consider feasible alternative project designs and locations to avoid or at least minimise physical and/or economic displacement.	ASWRA is committed to taking design steps to avoid and minimise resettlement impacts (see <a href="#">Section 2.3</a> ). The preparation of the ESIA and this RF has also been undertaken to ensure that the impacts on land users are minimised, mitigated through appropriate entitlements and meaningful consultation and monitoring requirements implemented throughout out design and implementation of the ESIA recommendations and the future RP (as needed). If the resettlement impacts are confirmed at the detailed design stage as unavoidable, ASWRA will prepare and implement a Resettlement Plan (RP).
Avoidance of Forced Eviction	Article 29 of the Constitution states that nobody may be deprived of his/her property without a court decision and that the outright confiscation of property is prohibited. As per the Law on Land Acquisition for State Needs, land is acquired based on the Government's eminent domain power.	The client shall not resort to forced eviction <sup>17</sup> . The exercise of eminent domain, expropriation, or similar powers by a client is not considered to be forced eviction if it complies with the national law and the provisions of the PR5.	No additional actions proposed.
Land acquisition and resettlement planning Livelihood restoration planning	Under the national legislation, in cases where more than 200 people are to be relocated 100 m away from their land, a resettlement plan is to be prepared (this is not the case under the Project). In other cases, resettlement instructions are prepared.  The mentioned resettlement planning documents should cover "training and other assistance to restore livelihoods and living standards after resettlement, as required" (Article 42 of the Law on Land Acquisition for State Needs).	The client shall prepare a RP proportionate to the risks and impacts associated with the project and is responsible for implementing this plan. In the early stages of project development, when project details are not (fully) known yet, a RF shall be prepared, as a first step towards developing a RP.  Resettlement planning documents shall be integrated in the environmental and social management system required by PR 1 and, for Category A projects, they	It is expected that the Project will not trigger physical displacement if the avoidance and mitigation measures are implemented, but will result in economic displacement. For this reason, the current Project RF is prepared to address the planning gap at the early stage of Project planning.  The Project RF should be disclosed as part of the ESIA package. It will be subject to approval by the RA Government.

<sup>17</sup> As per the EBRD PR5, forced eviction refers to the acts and/or omissions involving the coerced or permanent or temporary involuntary displacement of individuals, groups and communities from homes and/or lands and common property resources which they occupy or depend on, thus eliminating or limiting the ability of an individual, group or community to reside or work in a particular dwelling, residence or location, without the provision of, and access to, appropriate forms of legal or other protection.

		<p>will be disclosed according to the same review and engagement process and timeline as established in PR 10.</p> <p>The client will provide resettlement assistance to all physically displaced persons and livelihood improvement or restoration assistance to economically displaced persons, regardless of the categories of eligibility.</p>	
Eligibility for compensation	<p>Per the Law on Acquisition of Land for State Needs, persons who have legal rights to the land where they live are eligible for compensation while those without legal rights will be provided with limited rights and support. The Law (Article 7.3) recognises five types of persons eligible for compensation of land losses and related restrictions:</p> <ol style="list-style-type: none"> <li>1. Persons who have state-registered ownership, use or lease rights to land, and persons with legitimate use or lease rights for which state registration is not required by law.</li> <li>2. Persons who have legal, but not state-registered, ownership, use or lease rights to land, confirmed by written documents;</li> <li>3. Persons residing on land based on long-term use recognized by law, which gives rise to the right to land;</li> <li>4. Person who is a sub-lessor or who use the land for a short period of time based on an agreement with the user, confirmed by oral or written authentic evidence;</li> <li>5. Persons who do not have legal rights to the land on which they reside.</li> </ol> <p>Types 1-4 are provided with compensation and other support for the land and assets they lost, while type 5 receives limited assistance<sup>18</sup>.</p>	<p>Lack of title should not prevent a compensation. Non-titled landowners shall also receive compensation for lost assets other than land (such as crops, plantings, structures and improvements made to the land, loss of income sources and other means of livelihood). Displaced persons may be classified as persons:</p> <ol style="list-style-type: none"> <li>i) who have formal legal rights to the land;</li> <li>ii) who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws; or</li> <li>iii) who have no recognisable legal right or claim to the land they occupy (so-called 'informal users').</li> </ol> <p>Involuntary resettlement requirements apply to all three categories of displaced persons. Categories i) and ii) receive compensation for all assets (upon legalisation for category ii)); while category iii) is provide by compensation for any structures, crops/trees or developments on land, loss of income sources and other means of livelihood.</p>	<p>The RF provides additional measures (as noted in the Entitlement Matrix) to bridge the gap related to the non-titled land users to meet the EBRD requirements.</p>

<sup>18</sup> They are provided with assistance for their relocation, with the exception of real estate, and assistance aimed at compensating for damage caused to their movable property during relocation.

Inventory of affected assets, census and socio-economic survey (SES) of PAPs, and establishment of a cut-off date	The law requires conducting a census of the PAPs and inventory of land affected. The compensation methodology requires for the client to carry out inventory of affected assets. However, this does not include any specific requirement for the establishment of a cut-off date.	<p>The client shall carry out an inventory of affected assets including land, structures, crops, communal amenities &amp; natural resources to establish the basis for further valuation of such assets.</p> <p>The client shall also establish a cut-off date for eligibility either (i) as foreseen in applicable legislation; or (ii) using the end date of the census or of the inventory (whichever is the latest).</p>	The cut-off date for the Project site will be publicly disclosed to all the PAPs in accordance with EBRD requirements prior to / as part of the census/SES consultations (to be available to informal users as well). It can be set at the end date of the asset inventory.
Consideration of Vulnerable Groups	The national laws do not call for specific consideration of vulnerable groups or provision of specific support to them during the land acquisition process.	<p>The client shall identify, assess and address impacts on vulnerable groups and specifically:</p> <ul style="list-style-type: none"> <li>• carry out, at the time of the socio-economic surveys (SES), an analysis to determine pertinent vulnerability factors in the context of the project;</li> <li>• identify vulnerable groups based on the results of this vulnerability analysis;</li> <li>• conduct specific consultations with vulnerable groups; and</li> <li>• plan assistance measures tailored to the different needs of vulnerable groups.</li> </ul>	<p>Additional effort is required: when developing the RP:</p> <ul style="list-style-type: none"> <li>• determine vulnerability factors valid for the project area and based on these factors, identify affected groups / persons that can be considered vulnerable in the context of Project activities;</li> <li>• conduct specific consultations with these groups / people;</li> <li>• develop specific actions to support the affected vulnerable groups, if and as needed, and include them into the RP.</li> </ul>
Consideration of Gender Aspects	The RA has adopted a set of legislation regulating economic and proprietary relations and housing, as well as ownership rights and entitlements for men and women equally, regardless of gender (e.g., Gender Law (2006), Labour Code (1999), Employment Law (2018), and others). The national laws do not call for specific consideration of gender issues during the EIA procedure or land acquisition processes.	<p>Gender dimensions shall be considered throughout the baseline surveys, impact assessment, mitigation and monitoring processes.</p> <p>The Project proponent shall ensure meaningful participation of women and men in any consultations about land acquisition and displacement.</p>	<p>Additional effort is required: when developing the RP,</p> <ul style="list-style-type: none"> <li>• use the outcomes of specific SES based on gender disaggregated data;</li> <li>• consider the gender dimensions of land acquisition-related impacts;</li> <li>• ensure compensation entitlement and delivery take account of gender aspects.</li> </ul>
Grievance mechanism	Grievance Commission (Article 75 of the Law on Acquisition of Land for State Needs) can be established in case of necessity. The Executive Agency, Land Acquisition Group, Control Agency, local Executive Power, municipalities can receive, consider, and solve grievances and complaints. Additionally, "resettlement commissions" are established from the representatives of the PAPs.	The client is required to establish a grievance mechanism consistent with PR5 and PR10 in order to receive and address concerns regarding the Project in a timely manner. The mechanism will include a recourse mechanism designed to resolve disputes and complaints in an impartial manner.	A grievance mechanism has been set up as part of the draft SEP and draft RF for the Project in order to allow the PAPs and other stakeholders to submit their grievances.

Information disclosure, consultations, negotiations	<p>The acquiring body must conduct public consultations on the proposed acquisition (Article 6 of the Law on Acquisition of Land for State Needs). Public meetings are required to be held to disclose information to land users and owners on the land acquisition process (Article 15 of the same law).</p> <p>Land Acquisition Teams organised by the acquiring body shall hold meetings and negotiations with the persons affected by the acquisition individually or in groups, to explain the procedures and deadlines for its implementation (including valuation of movable and immovable property; rights for compensation to be paid; types of compensation and benefits, actions related to relocation and so on (Article 22).</p> <p>The focus of consultation is on preparatory stages.</p>	<p>The client shall conduct meaningful and continuous consultations with affected people and communities throughout resettlement planning and implementation in line with EBRD PR5 and PR10 requirements. Consultations shall be supported by the disclosure of resettlement documentation.</p> <p>From earliest stages and through all activities the client shall involve affected men and women, host communities and vulnerable groups.</p>	<p>This RF provides for the following additional measures:</p> <ul style="list-style-type: none"> <li>• Conduct consultations with the PAPs per the EBRD PR 5 and PR 10 requirements during the preparation and implementation of the RP (see <a href="#">Section 6.4</a>).</li> <li>• Implement the SEP prepared for the Project, which envisions continuous engagement with affected stakeholder groups, including vulnerable groups, and with PAPs within the RP preparation, implementation and monitoring.</li> <li>• Disclose the Project's RF for 120 days together with the ESIA package for the Project.</li> <li>• Disclose the RP upon its preparation and approval by the EBRD, as well as their non-technical summaries (a leaflet).</li> </ul>
Organisational Capacity and Commitment	<p>No specific requirement on special organisation structure, personnel and resources to tackle land acquisition-related impacts of the planned activities and monitor implementation.</p>	<p>The client shall designate specific personnel, including management representative(s), with a clear allocation of responsibility and authority to plan and implement land acquisition and resettlement activities. The client shall provide adequate support and human and financial resources to achieve effective delivery of land acquisition and resettlement commitments.</p>	<p>The Client has a Land Acquisition Division that oversees and manages land acquisition for ASWRA's projects following a time-bound process it has developed. The Client has limited knowledge and experience in implementing land acquisition and livelihood restoration activities in accordance with the EBRD PR5 and may require some training (such training can be provided by the Social Safeguards Specialist of the Project Management Unit (PMU) that will be established by ASWRA in late 2025).</p>
Monitoring and evaluation of RP Implementation	<p>The relevant executive authority shall monitor the acquisition procedures carried out by the acquiring authority in order to determine the correctness of the assessment and to proposed improvement actions, if needed (Article 8 of the Law on Acquisition of Land for State Needs). There are no explicit provisions for internal monitoring in the Azerbaijan Laws.</p>	<p>The Client shall establish procedures to monitor and evaluate the implementation of the resettlement plan. Monitoring shall involve the participation of key stakeholders, including affected communities.</p>	<p>This RF envisions the following additional measures:</p> <ul style="list-style-type: none"> <li>• Incorporate monitoring and evaluation principles in the RF and details in the RP (see <a href="#">Section 9</a>);</li> <li>• Monitor and evaluate implementation of the RP during the Project implementation via internal monitoring and evaluation procedures; engage external land consultants where necessary;</li> <li>• Provide the EBRD with monitoring reports on RP implementation.</li> <li>• Prepare a completion report once the RP is implemented.</li> </ul>



## 4 PROJECT LAND NEEDS AND POTENTIAL DISPLACEMENT IMPACTS

### 4.1 Baseline Land Use

The proposed WWTP site is within the administrative territory of Ziyadli village of Samukh District and is surrounded by several villages in Samukh District: Ziyadli, Istikhana, Garaeri, Sarkar, and Govlarsari. The effluent pipeline will cross and/or pass by Istikhana, Garaeri, and Govlarsari. The WWTP sites are largely surrounded by agricultural lands (**Figure 4**) used by residents for crop cultivation and sheep grazing (**Figure 4; photos 8, 9**). Some irrigated arable land plots around the WWTP sites have been transferred to local residents for agricultural use. They are used legally; no informal use has been identified during the site visit. The owners often lease their land to farmers who combine land plots and create relatively large fields on which crops are grown. Part of the land next to the WWTP sites is unirrigated and unused, forming wastelands.



Prepared by the ESIA Consultant

**Figure 4. WWTP land, two alternative effluent routes and nearby settlements**

Both WWTP sites are informally used by residents for livestock grazing, with traces of such use visible throughout. Though the effluent ponds site is used to a much lesser extent (**Figure 4, photo 10**). One of the unfinished and currently crumbling facilities on the southern WWTP site was found to be used by one local farmer as a sheepfold (**Figure 4, photo 4**). The WWTP sites are also crossed by the farmers that lead their livestock to the pastureland in the vicinities.

The network of irrigation channels is fed by underground water through the wells and provides the irrigation of agricultural lands (**Figure 4, photo 6**, local residents call it “white water”). A low-voltage power transmission line runs through the area, and its safety buffer is used by locals for farming (**Figure 4, photo 9**), similarly to those of two other higher-voltage power lines that cross the northern edge of the larger (southern) WWTP site.

The WWTP area is crossed by a channel for treated wastewater discharge (**Figure 4, photo 2**). In fact, untreated wastewater from the city of Ganja is currently flowing through this channel (a collector is shown on **Figure 4, photo 1**).

## 4.2 Physical Displacement Impacts

The Project will not trigger physical displacement if the detailed design is streamlined based on the ESIA recommendations and EBRD PR5 avoidance principles (see also **Section 2.3**), and if the SPZ-related mitigation delivered. This RF outlines principles and entitlements for physical displacement for the sake of taking a precautionary approach only.

## 4.3 Economic Displacement Impacts

### 4.3.1 Pre-construction

- **The WWTP.** The construction of the WWTP will be carried out within the existing Client-owned land. The sites will be fenced prior to the start of construction to ensure safety of construction and operations.
- **Effluent channel.** Land will be required for the effluent channel, i.e., a corridor of the effluent line itself and a 10 m safety buffer corridor to its both sides. Over a half of the underground effluent pipeline is assumed to use the existing open discharge canal. ASWRA owns this old existing 8.2km open channel and can implement rehabilitation works conditional upon paying compensation to private properties within 10m buffer strips along both sides of the channel<sup>19</sup>. So, its 2.4 km section can be rehabilitated into the underground /closed-type pipeline to transport effluent from the new WWTP. Thus, the economic displacement impacts due to the effluent pipeline will be minimised. Overall, the effluent corridor is not large and the land take is not significant. Besides, after the restoration, the land can continue to be used for grazing (though, some safety restrictions will apply).
- **Access roads.** Land might be required for the access roads and their safety strips, the dimensions and locations of the access roads will be determined at the detailed design stage. The existing earth road network will be used as much as possible, as well as the state-owned land.
- **Additional space for storing sludge.** A need to acquire additional land (adjacent to the WWTP site) for a long-term storage of sludge will be determined during the detailed design. Currently, ASWRA does not think that such additional land will be required; however, will confirm its thinking based on technical calculations of the amounts of sludge to be kept on the ASWRA-owned land site if this sludge cannot be re-used in agriculture.

<sup>19</sup> Order of the Head of Samukh District Executive Authority No. 81 from 7 July 2017. Extract.

### 4.3.2 Construction

The need for temporary land for construction purposes will be determined at the detailed design stage.

Informal use of ASWRA-owned land for grazing, as well as of the abandoned structures on this land as a sheepfold won't be allowed any more. This will affect only one local farmer.

The option to cross the territory with livestock or for other agricultural needs will be retained as there is a sufficient space between the two land plots of ASWRA.

### 4.3.3 Operations

At the operational phase, the WWTP SPZ is to be established and enforced. The dimensions of the SPZ will be calculated and approved at the detailed design stage. Land acquisition or land use restrictions may occur if some parts of the SPZ fall outside the ASWRA-owned land.

It is noteworthy that the area between two ASWRA land plots may be affected by WWTP operations from two sides and thus can be exposed to increased emissions, including odour impacts. This area is currently used by local farmers for crop cultivation. The land is irrigated with underground water from boreholes (one of which is located within this area) and is farmed using hired labour. As per the 2024 Feasibility Study, ASWRA considered acquiring this land for storing excessive sludge, however this option is not presently favoured (see the discussion above). This area might fall within the actual SPZ once it is determined.

## 5 COMPENSATION AND LIVELIHOOD RESTORATION STRATEGY

### 5.1 Key Principles

The following principles of land acquisition, compensation and livelihood restoration will be applied by the Client and adhered to during the Project implementation:

- Displacement will be avoided, minimised, mitigated, and compensated.
- All impacts shall be addressed, including within the direct footprint of the Project facilities and land use restriction zones around the WWTP and along the effluent discharge pipeline and access roads.
- Where land acquisition is unavoidable, transfer of unused State land is preferred.
- Any involuntary acquisition of assets or restriction of access to assets, as well as compensation of assets and losses of PAPs and businesses shall comply with the applicable national regulations and EBRD requirements (refer to [Section 3](#)). In case of differences between national legislation and EBRD requirements, the most favourable to PAPs will be adopted.
- Any compensation shall be at full replacement cost as defined in the EBRD PR5. This cost is to be determined by independent, qualified and certified valuation experts.
- PAPs will be provided with full and accurate information about the Project and meaningful opportunities for participation in design, implementation and monitoring of the land acquisition and livelihood restoration process, with particular attention to the needs of vulnerable households and women.
- People whose livelihoods are adversely affected will be assisted in re-establishing affected activities, livelihoods, standard of living, and income.

Any additional land acquisition that is not covered in this RF and that may become required for the Project in the future, should follow the same principles, and a specific RP should be prepared for it.



## 5.2 Cut-off Date for Eligibility for Compensation

A cut-off date for eligibility for compensation and livelihood restoration will be established for the Project in line with the EBRD PR5 and the national regulations. It will be the end date of the asset inventory.

The concept of the cut-off date will be explained at the first public consultation meetings in each location affected, at the outset of the preparation of the RP (and documented in the minutes of meetings), as well as via the individual meetings. Any person who owns / uses land and assets within the acquired area and restriction / safety zones at or before the cut-off date are eligible for being categorized as PAPs and receiving compensation and / or resettlement support.

Those who have been found to occupy the Project area after the cut-off date are not eligible for Project compensation or other resettlement benefits. However, they, will be given a sufficient advance notice, requested to vacate premises and dismantle affected structures (if any) prior to Project implementation. Fixed assets (such as built structures) or crops that have appeared on acquired land plots after the cut-off date, as well as any other investments into improvements of the acquired land plots will not be compensated.

People who may be denied compensation (for example, because they were not present at the time of the census and the compilation of the register) will have the right to lodge a complaint after the inventory through the grievance mechanism set up for the Project (see [Section 7](#)).

The eligibility for compensation and livelihood restoration support will be refined based on the census of the PAPs, asset inventory, and SES.

## 5.3 Preliminary Entitlement Matrix

The following categories of PAPs will be entitled to compensation and/or livelihood restoration assistance:

- PAPs losing land and/or structures (fixed assets) irrespective of whether land is held under valid legal rights or customary rights with or without legal status;
- Tenants and sharecroppers whether registered or not;
- Owners of buildings, crops, trees or other objects attached to the land; and
- PAPs losing business or income/employment opportunities.

PAPs and affected assets will be identified through an asset inventory (also called a “Detailed Measurement Survey (DMS)” and the census of PAPs. The compensation and rehabilitation entitlements for each affected item established for the Project is detailed in the below table. This matrix has been developed based on assessed impacts that are likely to occur due to the Project. The entitlements are based on legal requirements as well as precedent developed in previous similar projects in Azerbaijan.

This compensation and livelihood restoration Entitlement Matrix will be clarified and adjusted in the process of developing the RP taking into account the detailed design, the determined SPZ and buffer zones, and the agricultural production regimes to be established within their boundaries. Since the Entitlement Matrix is being developed under uncertainty, it considers not only the impacts that have already been identified but also those that may arise in the future in connection with Project implementation.

The entitlements proposed in the Matrix below follow the relevant provisions of the national legislation and EBRD ESP: PR5 requirements; if there is a difference or conflict between the national law and Loan Agreement provisions/EBRD ESP standards, the latter will prevail.



**Table 2. Preliminary Matrix of Compensation and Livelihood Restoration Assistance Entitlements**

Type of Loss / impact	Eligibility	Compensation and Livelihood Restoration Entitlements
Permanent loss of land	Owner/ titleholder	Cash compensation at full replacement cost assessed at market <sup>20</sup> or replacement value <sup>21</sup> (whichever is higher) OR If PAH's livelihood is land-based, a provision of an equivalent replacement land of equal characteristics (within the calculated compensation, as provided above) where such land is available in the community and is requested by the owner; and the community agrees to provide it to the PAH. In this case, the acquirer will ensure the state registration of the PAP's ownership right to replacement land and will provide legal support, as needed. AND All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer. <i>Note: If a land plot cannot be used per its designated purpose as it becomes economically unviable or inaccessible, the whole land plot is acquired at full replacement cost.</i>
	Legalisable PAPs	In cases defined by legislation, the legalizable PAPs will be compensated as owners upon registering the ownership right towards the land. AND All transaction expenses including land registration fees and taxes to be paid by PAPs will be covered by the acquirer.
	Leaseholder (regardless of whether land is registered or not)	Where feasible transfer of lease to other plots of equal value or productivity. If this is not feasible, cash equivalent to the net income from the land calculated based on the market value of annual production from affected land for the remaining lease years (up to maximum of 10 years). AND Information about the acquisition of the land given at least three months in advance of land acquisition, to enable the leaseholder to find another land for lease.
	Non-titled users / Non legalizable PAPs	Compensations for crops/harvest and the improvements made on the land.
Loss of pasture land (on the ASWRA-owned sites)	Informal land users (sheep-breeders) without lease agreements with ASWRA	<ul style="list-style-type: none"> <li>No compensation, rather assistance in arranging consultations with the local / district authorities for accessing alternative grazing lands, if necessary,</li> <li>Written and signed notification three months before displacement</li> </ul>
Land use restrictions in the SPZ / buffer zones which are not acquired (such zones are defined by design)	Owners and legalizable PAPs	Entitlement as for "Permanent loss of land" above OR Compensation for a difference between the existing and the other type of land into which the affected land will be re-categorised. OR Portion(s) of the land plot that cannot be used per its designated purpose due to the buffer zones or SPZ will be compensated based on the terms of the land use / easement agreement at market price.
Loss of residential	Owners, legalizable and non-legalizable	Cash compensation for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail

<sup>20</sup> Land market value is determined based on a mean value of the three highest recorded land sales in past three months from the census date (Article 58 of the RA Law on Acquisition of Lands for State Needs).

<sup>21</sup> Replacement cost is determined in Article 59 of the RA Law on Acquisition of Lands for State Needs as price that include expenses with respect to bringing the land or building in same area and same size and production potential up to standard of acquired land/structure, and registration and transportation fee (without depreciation of property).

Type of Loss / impact	Eligibility	Compensation and Livelihood Restoration Entitlements
buildings	PAPs	the compensation of the affected portion of the building plus repairs, in case further use and maintenance of the non-affected portion of the building is technically possible. Cost of lost connections to water, gas, sewage, electricity and other utilities will be included in the compensation <sup>22</sup> . AND Written and signed notification about the acquisition of the house given at least three months in advance of demolition to enable the PAPs to find other accommodation. AND All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.
	Tenants	<ul style="list-style-type: none"> <li>• Cash refund of the unused rent already paid and for integral improvements made with the lessor's consent.</li> <li>• Written and signed notification about the acquisition of the house given at least three months in advance of demolition to enable the tenant to find other accommodation.</li> </ul>
Loss of non-residential buildings and structures (fences, barns, sheds, etc.)	PAPs with state registration of their buildings and structures	Same as for residential buildings.
	PAPs informally using structures on the ASWRA-owned sites)	<ul style="list-style-type: none"> <li>• Compensation for the constructed elements of the building / improvements made on to them.</li> <li>• Written and signed notification three months before displacement</li> </ul>
	PAPs who constructed or use illegal structures on the state or communal land	<ul style="list-style-type: none"> <li>• Compensation at full replacement cost to the PAPs who constructed the illegal building or structure on the land owned by the state or community.</li> </ul> AND <ul style="list-style-type: none"> <li>• All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.</li> </ul>
Loss of public buildings / structures loss	State / community	Reconstruction of lost structure and restoration of their functions in consultation with community/state authorities, OR, If this is impossible or proven not to be necessary, then cash compensation of the community owned buildings/structures + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials.
Public utilities (Gas, water, electricity, etc.) and infrastructure	Private owners or operator of the utility infrastructure	<ul style="list-style-type: none"> <li>• Reconstruction of lost structure and restoration of their functions in consultation with community/state authorities and the utility owner or operator (if applicable).</li> <li>• All such infrastructures will be reflected in the detailed design and in the scope of works of the General Contractor and will be relocated within the Project budget, if required.</li> <li>• Impacts to any assets caused by relocation of the affected utilities will be compensated and treated in accordance with this RF entitlements.</li> </ul>
Loss of standing (annual) crops	All PAHs who planted crops regardless of their land ownership rights	<ul style="list-style-type: none"> <li>• Cash compensation equivalent to the gross income from the crop computed as the market value of the total annual produce from affected land. This is to be paid both to landowners and tenants based on their specific share-cropping agreements.</li> <li>• If the crop owner is able to harvest the crop before the land is actually taken for / affected by the Project, no compensation is due.</li> </ul>
Loss of trees / perennial plants	All PAHs who planted trees regardless of their	<ul style="list-style-type: none"> <li>• Cash compensation shall reflect income replacement.</li> <li>• Fruit trees will be valued at market value of one year's produce multiplied by the number of years needed to grow a tree of the same productivity.</li> </ul>

<sup>22</sup> Article 66 of the RA Law on Acquisition of Lands for State Needs has detailed provisions with regards to utility connections.

Type of Loss / impact	Eligibility	Compensation and Livelihood Restoration Entitlements
	land ownership rights	
Business interruption and loss of employment	Business owner	Business owner: i) Cash compensation equal to one year's income, if loss is permanent; ii) cash compensation for the period of business interruption, if loss is temporary. Compensations based on tax declaration or official minimum salary
	Worker/employees	Worker/employees: Indemnity for lost wages for the period of business interruption up to a maximum period of three months.
	Agricultural workers losing their job	Cash compensation equivalent to their salary/wage in cash for the remaining part of the interrupted agricultural season.
Unforeseen resettlement impacts, if any	Eligible PAPs	The damage caused by Contractor (or subcontractor) during the construction works will be compensated as per this RF.
Compensations for improvement	PAPs who made Improvements	Cash compensation at replacement cost.
Relocation Assistance	Physically displaced PAPs	Transportation and transitional livelihood costs: <ul style="list-style-type: none"> <li>Provision of cash compensation to cover transport expenses and livelihood expenses for at least one month.</li> <li>If a person residing in place for at least 5 years, an extra compensation between 5- 10% will be paid for loss of residential houses as per Article 66 of the RA Law on Acquisition of Land for State Needs.</li> </ul> NB: The relocation sites should have public infrastructure facilities and utilities similar to the original site from where a person is relocated.
Vulnerability Assistance	PAHs headed by women, or elderly, or disabled persons and PAHs living below the poverty line	<ul style="list-style-type: none"> <li>One cash allowance equal to the Azerbaijan minimum salary for a transitional period of three months.</li> <li>Administrative assistance for enrolment in suitable welfare programs offered by Executive Authorities, Municipalities, and the Ministry of Labour and Social Protection, within the PAP's residential community.</li> <li>Tailored support to be determined in the RP or during</li> <li>g RP implementation monitoring based on the actual situation and needs of any identified vulnerable PAPs.</li> </ul>
Loss of livelihoods or resources that support livelihoods due to displacement or acquisition of rights /assets	All PAPs who experience loss of livelihoods	Appropriate support in the form of a feasible package of restoration options to those economically displaced persons who derive their livelihood from sources other than wages and where these are impacted. The possible set of livelihood restoration activities can include: <ul style="list-style-type: none"> <li>Assistance in obtaining personal documents;</li> <li>Assistance in registering place of residence,</li> <li>Assistance in identifying alternative land for purchase / lease,</li> <li>Prioritisation of PAPs or their family members including females and the youth during the recruitment in project labour, subject to meeting qualification requirements.</li> <li>Individual legal consultations,</li> <li>Assistance in accessing social security, health care and education;</li> <li>Support in registering non-legalisable PAPs so that they have an opportunity to lease or to buy the land from the community.</li> </ul>

## 6 PUBLIC CONSULTATION, STAKEHOLDER ENGAGEMENT AND PARTICIPATION, AND DOCUMENTS DISCLOSURE

### 6.1 Introduction

According to the EBRD's PR5, the PAPs must be consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also must be informed in an appropriate and timely manner of the outcomes of the planning process,

as well as the schedules and procedures for implementation of the RP. Public information and consultation events must be carried out by the Client (with its consultants) during all stages of the land acquisition and resettlement process. In addition, the Client (with its consultants) must also organize: public information meetings, participation of the PAPs in the inventory and SES, disclosure of the RPs, and informing the PAPs about the procedures for payments of compensation and provision of livelihood restoration or other types of support.

## 6.2 Consultations that Informed the Preparation of the RF

This RF considers the information obtained during i) the engagement held as part of the socio-economic baseline study for the ESIA purposes and ii) ESIA scoping consultations<sup>23</sup>.

The socio-economic study included a Rapid Rural Assessment in Ziyadli village on 5 June 2025 and two community meetings held later (31 July 2025) with farmers and residents living near the Project site. These consultations addressed: 1) primary types of farming practiced in the area; 2) sources of drinking water for households and water for livestock and irrigation; 3) existing water-related challenges, and 4) community expectations and concerns regarding the construction of the WWTP. In addition, a focus group with women from Ziyadli village was conducted to capture gender-specific perspectives on socio-economic conditions, water use, and anticipated impacts of the Project. The study in Ganja was completed in August 2025, including focus group discussions with 38 people (of whom 10 were women) representing: men and women of working age, pensioners, youth (students) and small and medium entrepreneurs.

During the ESIA scoping and disclosure stage, seven scoping consultation meetings were held between June and August 2025: two meetings were held in Ganja (one with representatives of the scientific community and another with NGO representatives) and five in the settlements of Ziyadli, Istikhana, Sarkar, Govlarsari and Garaeri. During the meetings with local residents the issues of land use around the WWTP sites were discussed, including cattle-breeding and cultivation activities. The residents were also interested in understanding the size of the SPZ around the new WWTP and its effects on nearby houses and land plots (see the SEP for details).

## 6.3 Planned Information Disclosure and Consultations as Part of the RF

Meaningful stakeholder engagement and informed participation of PAPs should be ensured throughout the Project implementation and land acquisition process. To this end, timely disclosure of the relevant information is crucial.

The Client is committed to providing the public and PAPs with all relevant information to enable their informed participation. Disclosure of information, public meetings, and consultations with the PAPs, local government, Ganja city representatives and other stakeholders will be organised in the line with the Project's SEP. The SEP provides for ongoing engagement with project-affected stakeholder groups, including vulnerable groups, as well as PAPs in the process of designing the RF and outlining the approach to the RP development.

This draft RF will be posted in Azeri and English on the websites of ASWRA and EBRD, simultaneously with the disclosure of other draft ESIA package documents. A hard copy of the draft RF will be kept at the office of ASWRA in Ganja.

The RF will be discussed with stakeholder during the 120-day disclosure period. Following this, the document will be updated and its final version will be again disclosed by ASWRA and EBRD on their websites (in Azeri and English), together with the final ESIA documentation.

<sup>23</sup> For scoping materials refer to the ASWRA official website (English and Azerbaijani): <https://adsea.gov.az/events/gence-seherinde-cirkab-su-temizleyici-qurgu-cstq-tikintisi-layihesine-dair-elan>

## 6.4 Engagement and Consultations as Part of the RP

Public consultations with PAPs will be implemented in all affected communities during the RP development stage to present the Project's aims, stages of land acquisition and compensation process, a concept of "cut-off date", basic eligibility and entitlements, survey timelines, resettlement timelines, and a grievance mechanism. A dedicated RP leaflet will be prepared and distributed to the participants of the meetings (both community and individual).

The PAPs will participate in the SES, census of PAPs, and inventory of affected property. Face-to-face consultations with PAPs will be held during RP preparation and implementation stage. The PAPs' concerns and inputs will be taken into account in planning and implementing the RP.

Executive district authorities and village heads will be informed about the Project, and their assistance will be solicited in the conduct of the SES, census of the PAPs, and inventory of affected assets (as per the national legislation).

Also, prior to the finalization of the RP, the PAPs will be informed about the results of the surveys and valuation (e.g., in the form of the unit prices).

The grievance-related communication will continue throughout the RP preparation and implementation.

The processes and mechanisms ensuring the active involvement of the PAPs and other stakeholders will be detailed in the RPs including the date, list of participants, and minutes of consultation meetings.

In addition, communication with the PAPs as well as other stakeholders is possible at all stages through the grievance mechanism.

Where possible, ASWRA (and/or its RP consultants) will use tools such as information booklets, phone calls, email and messaging applications (e.g., WhatsApp, Telegram), as well as disseminating general information through the media and placing advertisements on information stands of local authorities.

## 7 GRIEVANCE MECHANISM

The EBRD require that a grievance mechanism be established to review and resolve concerns and/or questions raised by stakeholders in relation to a project, in an efficient, timely, transparent, non-discriminatory / equitable and cost-effective manner.

Accordingly, in May 2025 ASWRA developed a Project Grievance Mechanism for external stakeholders, using existing communication and engagement channels and enhancing them with actions to fulfil EBRD standards (**Figure 5**). The stakeholders were informed about the Project Grievance Mechanism during the scoping consultations in June, July and August 2025.

Currently, grievances and requests are received by ASWRA through the following channels:

- The 955-hotline operated by the ASWRA call centre (central level), with transfer of relevant calls to ASWRA in Ganja. The call centre in Baku operates 24 hours, all 7 days of the week, while ASWRA in Ganja operates from 9:00-21:00, all 7 days of the week;
- ASWRA's website, with transfer of relevant grievances and requests to ASWRA in Ganja;
- The Online Public Monitoring Platform: [www.enezaret.az](http://www.enezaret.az), with transfer of relevant grievances and requests to ASWRA headquarters and ASWRA in Ganja;
- Social media, such as Facebook, Telegram, Instagram, etc;
- Grievances received at the office of ASWRA in Baku or Ganja using the following contact:



**ASWRA headquarters**

Moskva avenue 67, AZ 1012 Baku, Azerbaijan  
 Tel: (+99412) 431-47-67/87, WhatsApp (+994 55) 209 95 59  
 Call centre: 955, also tel: (+994 12) 525 02 25  
 Fax: (+99412)430-28-87  
 E-mail: [info@adsea.gov.az](mailto:info@adsea.gov.az)  
 Website: <https://adsea.gov.az/>

**ASWRA Ganja**

Ganja, Üzeyir Hacıbəyov str. 76, AZ2001  
 Tel: (+99422) 255-77-29, (+99422) 265-00-09

ASWRA will maintain the existing practice and supplement it, as described below.

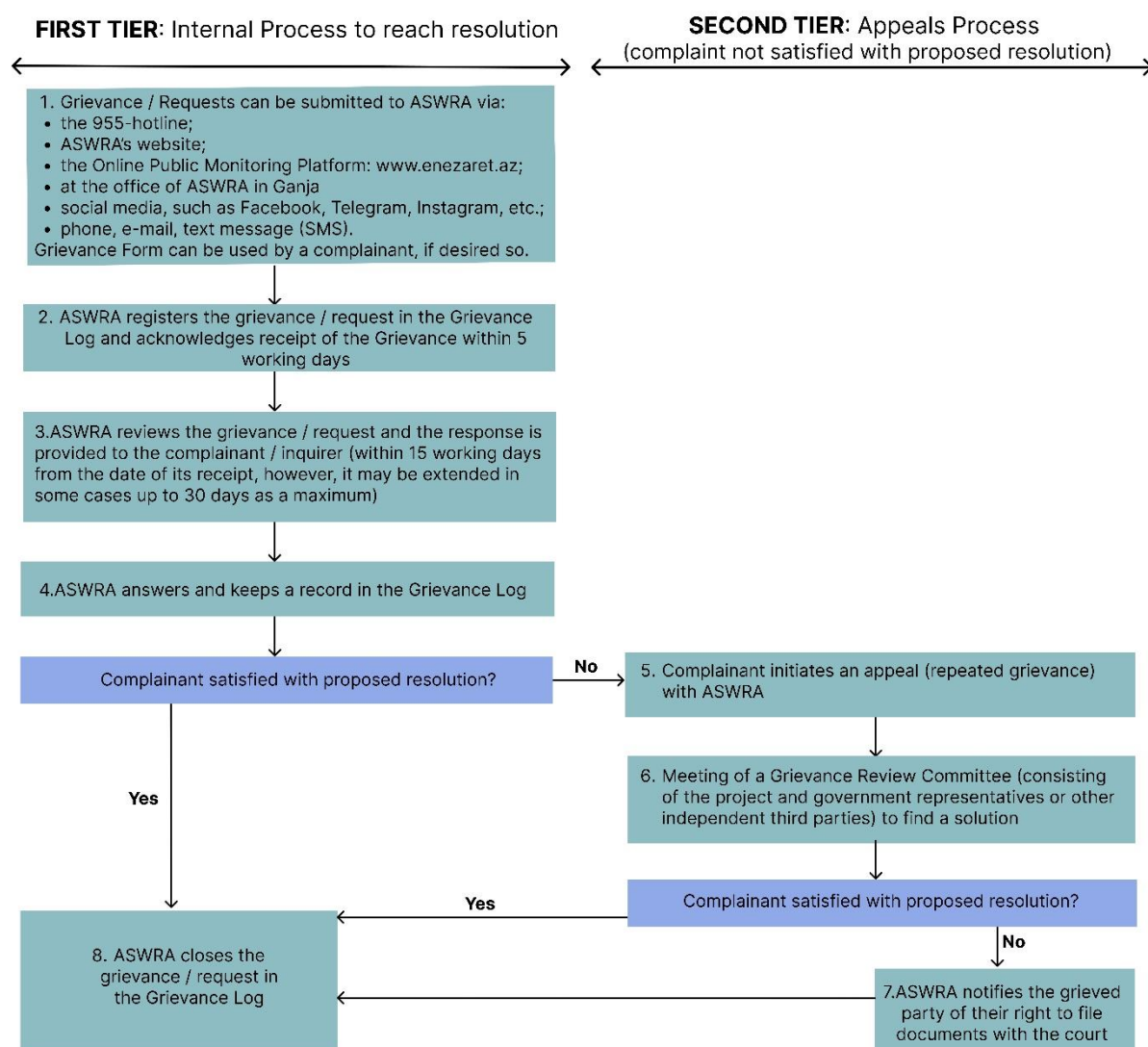
Grievances and suggestions can be submitted to ASWRA in writing using a sample Public Grievance Form provided in the SEP. Such forms will be published in English and Azerbaijani in electronic format on the ASWR's website and/or Project's webpage, and they will also be available in printed form near the boxes for grievances and appeals located in the ASWRA's office in Ganja, Ganja executive administration and others.

Grievances received by phone, e-mail, mail, text messages (SMS), via instant messengers and/or social media accounts will also be registered and considered. Reporting a grievance is free and does not require payment. As per the Law "On the Procedure for considering appeals of citizens" of September 30, 2015 (Article 6), anonymous grievances are not considered. However, EBRD requires that the grievance mechanism would allow for **anonymous complaints** to be raised and addressed. To address this gap, ASWRA accepts that grievances can also be submitted anonymously. If a complainant prefers to submit a grievance anonymously or through a third-party, this will be accepted. However, it is recommended to share contact details of the applicant so that the Company was able to provide a written response to the grievance.

According to the national legislation, the duration of the administrative procedure initiated by an appeal is 15 working days from the date of its receipt, however, it may be extended in some cases but up to 30 days as a maximum.

All the grievances addressed to the Company will be recorded in a Grievance (and Inquiry) Log, which should be maintained and analysed throughout the Project life-cycle.

ASWRA will also establish the recourse mechanism, including establishing a grievance review committee. Where complainants are not satisfied with the proposed resolution, then they can appeal via this recourse mechanism. In such case, the complainant will contact ASWRA stating that they would like to raise an appeal to the resolution proposed as they are not satisfied with it. A grievance review committee will meet. The committee will include the project and government representatives or other independent third parties. The committee will study the complaint and the refused proposed resolution and consider if another solution is appropriate. Any alternative resolution will be discussed with the complainant. Where no alternative resolution is identified during the appeal this shall be communicated to the complainant.



Prepared by the ESIA Consultant

**Figure 5. Project Grievance Process Chart**

## 8 RESPONSIBILITIES, IMPLEMENTATION ARRANGEMENTS AND BUDGET

### 8.1 Roles and Responsibilities

ASWRA will be responsible for the implementation of the current RF and forthcoming RP. All parties involved in the Project implementation including the Construction Contractors are required to comply with the requirements set out in this RF.

Roles and responsibilities of the institutions and organizations involved in the implementation of Project RF and the forthcoming RP are provided in the below table.

**Table 3. Organisational Arrangements for the RF/RP**

No	Name of the entity	Roles and responsibilities
1	Relevant Executive Authority	<ul style="list-style-type: none"> <li>Takes a decision on the existence of a state need necessitating the acquisition of land (as per the procedure set out in Article 9.1. of the Law on Acquisition of Land for State Needs).</li> <li>Has direct jurisdiction for land administration and regulations on lands relation defined by the law.</li> </ul>

No	Name of the entity	Roles and responsibilities
		<ul style="list-style-type: none"> <li>Supports the project consultants in conducting surveys, provide socio-economic data and development plans related to the community,</li> <li>Assists in the resolution of complaints and grievances and participate in addressing other issues as required,</li> <li>Supports ASWRA or its Project Management Unit (PMU) in informing PAPs about RP implementation procedures and disbursements, and assist in organizing consultations, information disclosure, and compensation delivery as needed.</li> </ul>
2	ASWRA	<ul style="list-style-type: none"> <li>In charge of overall responsibility and supervision of the Project,</li> <li>Acts as Authorized State Body in water sector,</li> <li>Submit the RF and RP documents to the Relevant Executive Authority for approval,</li> <li>Applies to the RA Ministry of Economy and its State Service on Property Issues with a request to prepare cadastral plans.</li> <li>Applies to the RA Ministry of Finance for budget allocation for RP implementation,</li> <li>Implements inter-agency coordination and liaison.</li> </ul>
3	ASWRA's Land Acquisition Division with support of the PMU (that will act on behalf of ASWRA)	<ul style="list-style-type: none"> <li>Coordinates the RP preparation, ensure that it is developed in consultation with key stakeholders, including affected communities and local authorities,</li> <li>Coordinates the land acquisition and resettlement activities with State Service on Property Issues and Relevant Executive Authority,</li> <li>Reviews the draft RPs and submit them to the relevant authorities for agreement and approval,</li> <li>Ensure that the PAPs are informed about the resettlement process, compensation procedures, and any other relevant project developments,</li> <li>Organize public consultations and community meetings to ensure affected communities are informed about the RP and can express concerns or provide feedback,</li> <li>Engage and work with external consultants, such as the RP preparation and implementation consultants, to ensure that the RP is prepared and implemented effectively,</li> <li>Plan and manage the RP implementation and the distribution of compensation,</li> <li>Oversight the progress of RP implementation, including land acquisition, compensation distribution, and resettlement activities, to ensure they are proceeding as planned,</li> <li>Ensure that the necessary financial resources are allocated for the implementation of the RP,</li> <li>Coordinate with independent monitoring agencies and consultants,</li> <li>Ensure proper internal monitoring and disclosure of its results initiate eventual expropriation cases,</li> <li>Ensure that an accessible and effective Grievance Mechanism is in place, and that grievances raised by PAPs are responded and if possible addressed in a transparent and timely manner,</li> <li>Provides training and capacity building to stakeholders involved in the process.</li> </ul>
4	Other Agencies and Institutions	
4.1	RA Ministry of Finance	<ul style="list-style-type: none"> <li>The Ministry of Finance plans the financial resources in the state budget required for the implementation of the resettlement plans and provides them to ASWRA in the legally prescribed manner.</li> </ul>
4.2	RA State Service on Property Issues under the Ministry of Economy	<ul style="list-style-type: none"> <li>Is responsible for providing information about the status of real estate ownership and other relevant data, and, within its jurisdiction, is in charge of the state registration of land ownership, as well as for preparing cadastral plans.</li> </ul>
4.3	Courts	<ul style="list-style-type: none"> <li>Review the filed cases,</li> <li>Carry out hearings and decide whether the land can be expropriated and at what price.</li> </ul> <p><i>In resolving problematic cases related to property acquisition for public needs, the basis will be the court decision that has entered into force.</i></p>
5	Consultants	
5.1	RP preparation	<ul style="list-style-type: none"> <li>Prepare RPs that align with the EBRD's requirements and national laws. The RP</li> </ul>



No	Name of the entity	Roles and responsibilities
	Consultant	<p>should address all aspects of resettlement, compensation, and livelihood restoration,</p> <ul style="list-style-type: none"> <li>• Collect socio-economic baseline data on the affected population, including vulnerable groups (e.g., women, elderly, disabled), land tenure, and livelihoods, and conduct a census of PAPs.</li> <li>• Identify those who will be directly or indirectly impacted by the project,</li> <li>• Prepare an inventory of land and assets (e.g., buildings, crops, trees) affected by the project,</li> <li>• Ensure that affected people are consulted during the preparation process, and their views are considered in the plan,</li> <li>• Define compensation rates and mechanisms for affected people, including cash or in-kind compensation,</li> <li>• Propose measures to restore or improve the livelihoods of affected people,</li> <li>• Propose accessible GRM for affected people to raise concerns or complaints related to the land acquisition and resettlement process.</li> </ul>
5.2	RP implementation Consultant (the same consultant may continue)	<ul style="list-style-type: none"> <li>• Regular monitoring of the status of RP implementation, including details of any complaints raised and how they were addressed,</li> <li>• Track the progress of land acquisition, compensation distribution, and resettlement activities,</li> <li>• If vulnerable affected people are identified following the completion of the census, the RP implementation consultant will appoint professional advocates to assist them throughout the process and act as independent advisors should any grievances arise,</li> <li>• Assist in resolving legal issues that might arise during the process of land acquisition and resettlement,</li> <li>• Ensure that the grievance mechanism is effectively communicated and operational for stakeholders to submit complaints and concerns.</li> </ul>
5.3	Detailed Design Consultants / technical consultant	<ul style="list-style-type: none"> <li>• Provide project design and technical data, including data on SPZ, GIS, project components and facilities, and other relevant information required for RP preparation.</li> </ul>
6	EBRD	<ul style="list-style-type: none"> <li>• Compliance monitoring, periodic supervision of the Project, approval of the project RF, RP, and monitoring reports prepared by ASWRA; initiating and reviewing the RP, providing clearance for contract awards, and issuing notices to proceed with civil works based on the results of the monitoring reports.</li> </ul>

## 8.2 Timeline

The below table summarised a sample timeframe for the activities that will take place as part of the RP preparation.

**Table 4. Tentative Implementation Schedule for a RP**

#	Activity / Month	0	1	2	3	4	5	7	8	9	10	11	12	13-...
1.	Preparation of the RP Terms of Reference													
2.	Contracting the Resettlement / RP Consultant; Preparing an action plan and timetable for development of the RP													
3.	Draft RP preparation, including socio-economic survey, consultations, census of the PAPs, and asset inventory and valuation													
4.	Submission of a draft RP to EBRD													
5.	Finalisation of the RP and its approval by EBRD													
6.	Translation of the RP into Azerbaijani, its approval by the relevant authorities and disclosure													
7.	Grievance management													Continuous commitment
8.	Delivery of compensation entitlements to PAPs													
9.	Livelihood restoration activities													Continues as per RP
10.	Monitoring and evaluation activities													During RP delivery and until livelihood restoration activities are complete
11.	Internal Completion Audit and Report													After the compensations are paid and livelihood restoration activities are completed

### 8.3 Budget

Costs for the development of the RP will be included in the overall budget of the Project and will be financed from the EBRD funds. Such costs would include the cadastral assessment, inventory of affected property, census of PAPs, SES, and property valuation with the involvement of a licensed valuation company, conducting relevant consultations, and developing additional measures to restore livelihoods.

The draft RP will include a detailed budget for both the design and implementation of the resettlement (including estimated contingencies and administrative costs). This budget will be prepared after the completion of the census, inventory, SES, and property valuation.

The implementation of RP will be financed from the state budget allocated by the RA Government for this land acquisition and resettlement.

ASWRA is responsible for the implementation of the RP, including the monitoring of compensation payments, provision of other types of assistance, and the implementation of the grievance mechanism.

NB: The costs of resettlement will be higher, the larger the size of the SPZ of the WWTP facilities.

## 9 MONITORING AND REPORTING

The main objective of monitoring will be to assess the progress of the RP implementation, the achieved results of the implementation of measures on resettlement and livelihoods restoration, their impact on the standard of living of the PAPs, the degree of achievement of the RP goals and the need for corrective measures.

## 9.1 Internal Monitoring

Specific monitoring activities and indicators will be developed as part of the RP. Monitoring indicators will include qualitative and quantitative indicators characterizing the resources expended and the results obtained, as well as the proposed stages of compliance assessment, the frequency of monitoring, the functions/responsibilities for conducting monitoring, evaluating its results and making decisions on the need for corrective measures, if necessary. The following may be used as monitoring indicators:

- The implementation of the RP objectives and the degree of completion of all tasks for which resources were allocated in these plans.
- Evaluation of the implementation of mitigation measures, their effectiveness and degree of compliance with the requirements of national legislation and the EBRD.
- Total costs of implementing resettlement and livelihood restoration activities and compliance with the schedule for the use of funds.
- Number of individual contracts for the provision of compensation.
- Number of PAPs who applied for assistance during the transition period and types of assistance provided to them.
- Number of PAPs who received monetary compensation and ways of using the funds.
- List of PAPs classified as vulnerable and types of assistance provided to them.
- Reports of experts involved in assisting the PAPs to restore their livelihoods.
- An assessment of the socio-economic situation of PAPs compared to the baseline conditions prior to physical or economic displacement (disaggregated by sex and vulnerability level).
- Assessment of the degree of PAPs livelihood restoration.
- Effectiveness of the grievance mechanism:
  - Number of grievances received and resolved and duration of the resolution period.
  - Number of grievances pending review and resolution.
  - Number of grievances brought to court and the time it takes to resolve them in court, etc.
- Agendas and results of consultations with stakeholders involved in the implementation of the RP, including minutes of meetings and lists of participants with their signatures.

The results of internal monitoring will be reported upon to the EBRD.

## 9.2 Project Monitoring by the Executive Authorities and EBRD

PR implementation will be monitored by the Executive Authorities as per the national regulations and by the EBRD in line with the EBRD project management procedures.

In case of identifying gaps in the implementation process or non-compliance with the national or EBRD policies, corrective measures will be proposed, and ASWRA will propose a schedule and an action plan for their implementation.

## 9.3 PR Implementation Completion Report

ASWRA will undertake an audit of the RP implementation following the completion of the livelihood restoration activities to verify that the implemented RP has met its objectives and that the livelihoods of the PAPs have been restored to pre-project levels and/or have been enhanced.

A Resettlement Completion Report will be prepared and provided to the EBRD for review and determination on whether further actions are required.