

Environmental and Social Consulting Services for the Baku Metro Expansion Project



Land Acquisition and Resettlement Planning Framework,
December 2025

Prepared by Baku Metropolitan CJSC for Baku Metro Expansion Project

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Acronyms and Abbreviations

Acronym	Meaning
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
BM	Baku Metro
BMEP	Baku Metro Expansion Project
E&S	Environmental And Social
ESS	Environmental And Social Standard
GBV	Gender-Based Violence
GRM	Grievance Redress Mechanism
KPIs	Key Performance Indicators
LARP	Land Acquisition and Resettlement Plan
LARPF	Land Acquisition and Resettlement Planning Framework
LRP	Livelihood Restoration Plan
PAP(s)	Project-Affected Person(s)
PIU	Project Implementation Unit
PPM	Project-Affected People's Mechanism
RoA	Republic Of Azerbaijan
SCPI	State Committee on Property Issues
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
TBM	Tunnel Boring Machine
ToR	Terms Of Reference

Glossary

Concept	Definition
Compensation	Payment in cash or in-kind for loss of an immovable asset or loss of access or use to assets and livelihoods that is acquired or affected by the project.
Disaggregated	Disaggregated data are data that have been broken down by subcategories, such as sex, gender, age, or level of education.
Economic displacement	Loss of land or assets, or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood
Entitlements	The range of measures comprising compensation, income restoration, transitional assistance, income substitution, and relocation which are due to PAPs, depending on the nature of their losses, to restore their economic and social base.
Involuntary resettlement	Refers to land acquisition, including restrictions on land use and access to assets and natural resources that cause physical displacement (relocation, loss of land or shelter) and/or economic displacement (loss of land or assets, or restrictions on land use, assets or natural resources leading to loss of income sources or means of livelihood). Involuntary Resettlement covers both of these impacts and the processes to mitigate and compensate these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement.
Land acquisition	Refers to all methods of obtaining land for Project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way, and changes in land use rights. Land acquisition may also include: (a)

Concept	Definition
	acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) Project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and water bodies legally associated with the land.
Land acquisition and resettlement planning framework	A land acquisition and resettlement / livelihood restoration planning framework is a document that outlines the general principles for managing resettlement and livelihood restoration when the exact nature or magnitude of the land acquisition or restrictions on land use are unknown due to the stage of project development.
Livelihood	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade and bartering.
Livelihood restoration	The process of restoring (or improving) affected persons' livelihoods to pre-project levels (or better).
Livelihood restoration plan	A planning document that outlines the necessary activities and measures to be implemented to restore livelihoods.
Project-affected person (PAP)	Any person who experiences full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and/or economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from involuntary acquisition of land, or involuntary restriction on use or access to assets.

Concept	Definition
Physical displacement	Loss of dwelling or shelter as a result of project-related land access, which requires the affected person(s) to move to another location.
Relocation	The physical move of a PAP or business from her/his/the pre-Project place of residence.
Replacement cost	The replacement cost is the market value of the asset (with no depreciation) plus transaction costs.
Resettlement	All measures taken to mitigate any and all adverse impacts of the Project on PAP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation.
Transaction costs	All costs that may be incurred because of the transaction or transfer of assets, e.g., taxes, stamp duties, legal and notarization fees, registration fees, travel costs, etc.
Transition period	Period between the occurrence of the displacement and the time when affected livelihoods are restored.
Vulnerable groups	Vulnerable groups or individuals refers to people who, by virtue of factors beyond their control: (a) may be more likely to be adversely affected by the Project's environmental and social impacts; and (b) may be more limited than others in their ability to claim or take advantage of Project benefits. Such individuals or groups are also more likely to be excluded from or unable to participate fully in the mainstream consultation process and may require specific measures or assistance (or both) to do so.

Executive Summary

This Land Acquisition and Resettlement Planning Framework (LARPF) has been developed for the Baku Metro Expansion Project (BMEP) in Azerbaijan. Its primary purpose is to guide the planning, mitigation, and management of land acquisition and involuntary resettlement impacts associated with the project, ensuring alignment with both Azerbaijan's national legislation and the Asian Infrastructure Investment Bank (AIIB) Environmental and Social Framework (ESF), particularly Environmental and Social Standard 2 (ESS 2): Land Acquisition and Involuntary Resettlement.

The main objectives of the LARPF are to:

- Establish a clear framework for managing land acquisition and resettlement, prioritizing the avoidance or minimization of involuntary resettlement impacts.
- Ensure that livelihoods of all affected persons are restored and that the livelihoods of poor and vulnerable persons are improved compared to pre-project levels.
- Ensure that all project activities are conducted transparently, fairly, and efficiently.
- Bridge gaps between national legislation and AIIB requirements, especially regarding compensation and eligibility for those without formal land titles.

Key findings presented into the LARPF include:

- Based on available information, the main impact is anticipated to be economic displacement, however, past land acquisition processes at some sites require further review and, depending on the design of the stations, impacts of physical displacement may be generated.
- Gaps exist between Azerbaijan's laws and AIIB ESS 2, notably in the treatment of informal landholders and compensation at replacement value.
- The institutional framework involves Baku Metro, the State Committee on Property Issues (SCPI), and local authorities, with defined roles and responsibilities.
- The framework proposes a comprehensive approach to resettlement, income and livelihood restoration, including asset inventories, census and enterprise surveys, socio-economic data collection, and tailored compensation packages.
- Key principles include minimizing resettlement, compensating at replacement cost, restoring livelihoods, meaningful consultation, attention to vulnerable groups, and an accessible grievance redress mechanism.

Key components included in this LARPF to guide the planning, implementation and monitoring of land acquisition and resettlement are the following:

- Bridging identified gaps between national legislation and AIIB ESS 2 by ensuring informal interests are eligible for compensation and that all compensation is at replacement value.



- Guidance to identify impacts and define the magnitude and extent of displacement impacts, including land, housing and other structures, businesses, income and livelihoods, crops and trees (as applicable) and public assets.
- Guidance on preparation of Land Acquisition and Resettlement Plan (LARP).
- Guidance on development of a full Livelihood Restoration Plan to support the restoration of the livelihoods of affected persons, including the improvement of poor and vulnerable persons' livelihoods, to pre-project levels, based on information currently available, including census, socio-economic surveys, consultations, and robust monitoring and reporting.
- Actively engaging women and vulnerable groups in all land acquisition and resettlement processes.
- Establishing and maintaining a project-level Grievance Redress Mechanism (GRM) that is accessible, free, non-retaliatory, and confidential, with provisions for addressing sexual harassment and gender-based violence.
- Guidance on implementation of the LARPs and LRPs.
- Guidance on conducting regular internal and external monitoring and evaluation to assess the effectiveness of resettlement and livelihood restoration measures, making adjustments as needed.
- Providing capacity-building and institutional support to strengthen the ability of implementing entities to manage land acquisition and resettlement effectively.

In summary, the LARPF sets out a robust framework to ensure that the Baku Metro Expansion project is implemented in a socially responsible manner, minimizing adverse impacts and promoting the restoration and improvement of affected persons' livelihoods, in line with international best practices and AIIB standards.

The entitlements framework is the following:

Type of Loss	Entitled Persons	Entitlements
Commercial structures	Owners/operators	- Compensation in cash for any immovable structures belonging to the business per replacement rates for structures (as applicable);

Type of Loss	Entitled Persons	Entitlements
		<ul style="list-style-type: none"> - Relocation assistance including compensation for moving heavy equipment or the like; and - Assistance for business relocation to a proper agreed site, including assistance to identify an alternative business location.
Loss of income	Affected households (operators of business, employees)	<ul style="list-style-type: none"> - Allowance for loss of business income during the reestablishment period; - Income restoration; - Training; and - Transitional allowance.
Residential structures	Owners of residential structures	<ul style="list-style-type: none"> - Replacement residential structure with security of tenure with comparable access to employment and production opportunities - Cash compensation at replacement value for any associated non-residential structures - Relocation assistance (support with loading, moving and off-loading belongings; registration; utility connections etc.)



Type of Loss	Entitled Persons	Entitlements
		<ul style="list-style-type: none"> - integration of resettled persons economically and socially into their host communities; and - extension of Project benefits to host communities to facilitate the resettlement process - Salvage of material.
Informal settlers	Non-titled residents	<ul style="list-style-type: none"> - Compensation for structures; - Relocation and Livelihood support.
Vulnerable groups	Elderly, disabled, women-headed households, for example	<ul style="list-style-type: none"> - Additional assistance, priority in livelihood support.

1. Introduction

The Government of Azerbaijan (GoA), through Baku Metropolitan Closed Joint Stock Company (Baku Metro), is implementing the Baku Metro Expansion Project (BMEP) to enhance the city's public transport network in line with national transport and urban development strategies. The project is planned for financing by the Asian Infrastructure Investment Bank (AIIB), with potential parallel financing from other multilateral development banks.

This Land Acquisition and Resettlement Planning Framework (LARPF) establishes common policies and principles to identify and address the impacts of economic and potentially physical displacement caused by the Project.

1.1. Background

Baku Metro currently operates three lines, comprising 27 stations and serving over 620,000 passengers daily. Under the Conceptual Development Plan and the State Program on Transport Infrastructure (2025–2030), aligned with the General Plan of Baku City (2020–2040), the system is set for significant expansion. The vision is to develop a modern, efficient, and sustainable metro network consisting of five lines, 76 stations, and 119.1 km of track.

The Project is a part of Azerbaijan's State Program on the Improvement of Transport Infrastructure in Baku City and Surrounding Areas for 2025–2030 (the "State Program"), approved on 30th January 2025 and programmed Climate Change Mitigation measures, included in the 2024 Biennial Transparency Report (BTR).

The Project includes the following components, which will be implemented by Phases:

- Separation of the red and green lines at the station "May 28".
- Strengthening works in the tunnel Nizami – 28 May.
- Measures on energy audit and reliability of the energy system in the metro.
- Completion of construction and equipment supply of Darnagul depot.
- Construction of a reversible dead end behind the station "Icherisheher".
- Procurement of an additional 34 wagons.
- Extension of the Green Line (incl. construction of stations Y14, Y15, Y16 and Y17).
- Completion of construction and equipment supply of Khojasan depot.
- Extension of the Purple Line (B5-B8).
- Procurement of new fleet to meet increased capacity of purple and green lines.

It is currently designed to include the following three phases:

Phase I:

The RoA intends to enter into a loan with the AIIB to finance the following components:

- Construction and equipment supply for the Darnagul depot (Green Line);



- Construction and equipment supply for the new Khojasan Depot, and
- Enhancement of 10 existing stations on the Green Line:
- Additionally, using national budget funds, Phase I will cover:
 - Separation of the Red and Green lines at “May 28” station.
 - Strengthening works in the Nizami–28 May tunnel.
 - Energy audit and system reliability measures.
 - Construction of a reversible dead end behind “Icherisheher” station.

Phase II:

Green Line Extension: Khatai to Hazi Aslanov - 4 stations and approx. 8.6 km of tunnel boring machine (TBM) tunneling.

Construction works of inter-station tunnels of the Green Line from Khatai to Y15 can be accelerated with financing from the national budget to provide reversible dead end behind station “Khatai”.

Phase III:

Covers the purchase of the rolling stock for both the purple and green lines.

Given the scale and complexity of the expansion, and its potential environmental and social impacts, the preparation of robust Environmental and Social (E&S) instruments is essential. This LARPF addresses the impacts resulting from land acquisition required for the two depots and four stations that will be constructed as part of the extension of the green line.

1.2. Purpose and Scope of this Framework

The purpose of this Land Acquisition and Resettlement Planning Framework (LARPF) is to outline the principles, requirements, procedures, and institutional arrangements to guide the mitigation and management of land acquisition and involuntary resettlement impacts arising from the Baku Metro Expansion Project in Baku. The framework is designed to ensure that all land acquisition, resettlement and livelihood restoration activities are planned and implemented in accordance with the national legislation of Azerbaijan and in full compliance with the AIIB Environmental and Social Framework (ESF), including its Environmental and Social Standard 2: Land Acquisition and Involuntary Resettlement.

1.3. Structure of the Framework

The report comprises the following sections:

- Summary Description of the Project and Context
- Principles
- Legal and Policy Framework



- Institutional Framework
- Type of Expected Impacts of Displacement
- Entitlements and Eligibility
- Resettlement Strategy
- Income and Livelihood Restoration Strategy
- Public Consultation, Participation and Disclosure
- Grievance Redress Mechanism
- Monitoring and Reporting Framework
- Schedule

2. Summary Description of the Project and Context

The Project activities described in this section trigger involuntary resettlement impacts as a result of land acquisition. This includes impacts of economic displacement and potentially future impacts of physical displacement. Impacts of physical displacement occurred in the past at both depot sites and station Y14. Further due diligence on the past resettlement process is required to assess whether the associated impacts need to be mitigated in line with AIIB ESS 2.

2.1. Phase 1 Project Activities

Phase 1 activities covered by this LARPF include the development of Darnagul and Khojasan Depots as follows:

- Construction completion and equipment supply of the Darnagul Depot on the Green line. This depot has partial foundation already laid and needs to be built.
- Construction completion and equipment supply of the Khojasan Depot on the Purple line. This depot is to be built to accommodate the extension of the purple line.

The status of each depot, and a summary of the proposed works is described below under sections 2.1.1 and 2.1.2. AIIB intends to finance the completion of the construction works at the 2 depots (Phase 1) and stations Y14, Y15, Y16 and Y17 on the Green Line (Phase 2).

Phase 1 also involves the refurbishment of 10 existing stations along the Green Line.

Figure 1. Locations of Darnagul (Green line) and Khojasan Depot (Purple Line) in Baku



2.1.1. Darnagul Depot

Baku Metro CJSC obtained land lease rights to the depot site by order of the Head of the Baku City Executive Power No. 20/943 dated 01.11.1986 for an area of 16.48 hectares for the design of the construction of the "Darnagul" electric depot within the boundaries indicated in Figure 1. The land plot is state-owned and is located in the 3126-27 neighborhood of M. Aliyev Street, Binagadi district. The project area is located directly in a residential zone and is bordered by the railway line from the north and A. Kunanbeyov Street from the west. The site is located either adjacent to or in the immediate vicinity of various industrial enterprises, residential buildings, and currently inactive educational institutions and administrative buildings.

The process to relocate the occupants of the (allegedly illegal) residential structures located on the site and demolish their structures was completed in 2014. The site has been prepared for construction and installation work. A new pedestrian crossing has been constructed in the 3126–27th block of M. Aliyev Street to improve access for nearby residents. Previously, residents relied on a temporary path that passed through the yard of the planned Darnagul Depot, which created difficulties, particularly during rainy weather.

Figure 2. Location of Darnagul Depot



2.1.2. Khojasan Depot

The Khojasan depot site is located west of Baku, within the Binagadi district, at the entrance of Khojasan village, to the left of the Khojasan-Lokbatan road (Figure 3). A total of 23.7 hectares of land has been allocated for the depot by decree number 357 signed on 5 August 2011 by Baku City Executive Authority.

The depot is surrounded by the settlements of Khojasan and Sulutapa (Sulu Tepe), which have merged into a single urban area which includes schools, a kindergarten, a health institution, a kasaba (community) club. There are several beverage factories in the Binagadi district, including Azerbaijan Coca-Cola Bottlers Ltd. and Mars Overseas Baku Ltd.

The process to relocate the occupants of the residential structures located on the site and demolish these structures was completed in 2015.

Figure 3. Location of Khojasan Depot



2.2. Phase 2 Project Activities

Phase 2 involves the design and construction of four new stations of the Green Line as part of the extension of the line from Khatai to Hazi Aslanov. The Green Line will have a total length of 41.8 km and form a circle line covering Khatai, Nasimi, Yasamal, Binagadi, Nariman Narimanov, Nizami, Sabunchu and Surakhani districts when completed. The line, which will have 23 stations, currently has 10 stations in operation. One power depot for the line is under construction, and another one is at the design stage.

The activities covered by this LARPF include the development of four stations as part of the extension of the Green Line as follows:

Station Y14 Site : the brownfield site is located in the real estate development area ‘White City’ in Khatai district and was allocated to Baku Metro by decree signed on 27 June 2013. The site is fenced and not actively used. The land plot currently hosts a number of unfinished structures owned by the real estate developer White City that are not affected by the Project.



Baku Metro has not undertaken any construction activities at the site yet but White City plans to finish its structures upon completion of construction of the Y14 metro station by Baku Metro. The site was previously occupied by private structures, including residences. The process to demolish these structures started around mid 2014 and finished in late 2019.

Figure 4. Station Y14 Site, July 2014



Source: Google Earth.

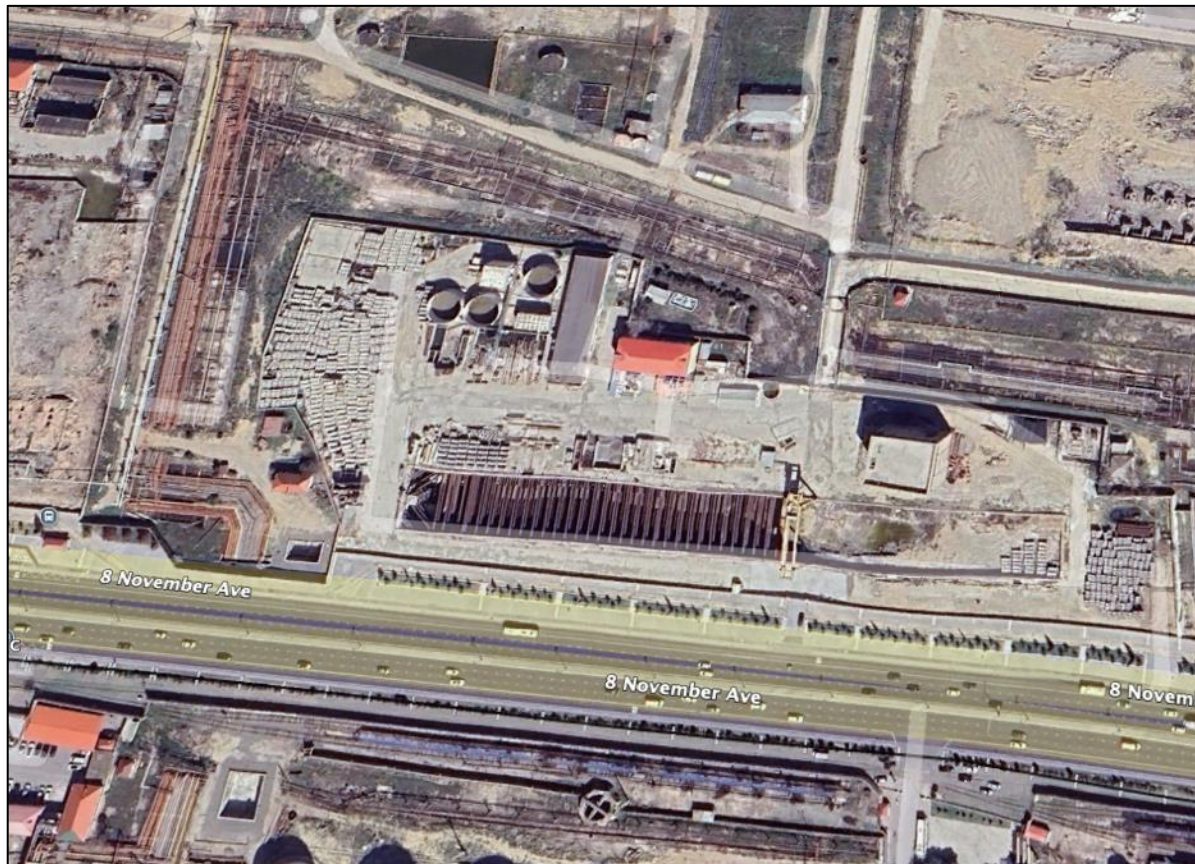
Figure 5. Station Y14 Site, January 2025



Source: Google Earth.

Station Y15 Site : the brownfield construction site is located on the territory of a former oil company, in an industrial area. Construction of the Y15 station started in 2014. The building that belonged to the oil company is currently used by BAKU METRO as a canteen and changing room.

Figure 6. Station Y15 Site, January 2025



Source: Google Earth.

Station Y16 Site : the brownfield site is located in an area previously occupied by a state factory. Construction of the Y16 station will require that five factory structures be demolished. These structures are currently occupied by several businesses including a wood workshop where seven people were observed to be working in September 2025 and an Isuzu vehicle service shop. Baku Metro has not undertaken any construction activities at the site yet.

Station Y17 Site (Hazi Aslanov station): the brownfield construction site currently occupies an area of 1.3408 in the 2944-2945 block of M. Hadi Street. An initial area of 0.9 ha was transferred by decree No. 199 of Baku City Executive Authority to BAKU METRO on 26 April 2011. This area was expanded to 1.0493 ha by decree No. 179 on 5 May 2016 and further expanded to 1.3408 ha by decree No. 460 on 11 October 2018. The construction site occupies a portion of Xudu Mammadov Street that was closed and fenced off around 2012. Upon completion of construction of the metro station by BAKU METRO the road will be fully opened again for use by the public. Structures hosting active businesses and market stalls as well as residential units are located on either side of the street, accessible to the public by a corridor for pedestrians of 2 to 4 meters wide. Some of these business units also have an opening to the streets running parallel to Xudu Mammadov street.



Source: Google Earth.

In addition, it is anticipated that the construction and operation of a number of ventilation shafts along the Green Line will require acquisition of land rights. The location of these ventilation shafts will be determined during the detailed design phase of the project. Baku Metro will endeavour to avoid or minimize impacts of land acquisition of the shafts to the extent possible by adjusting the design.



3. Principles

The LARPF is guided by the following principles:

- Avoid or minimize involuntary resettlement impacts as a result of land acquisition where feasible by considering project design alternatives;
- Ensure that affected persons are compensated at replacement cost prior to impacts of displacement occurring;
- Ensure that the livelihoods of all affected persons are restored and that the livelihoods of poor and vulnerable persons are improved compared to pre-project conditions;
- Provide compensation and support for non-titled land users;
- Promote meaningful and inclusive consultation with affected persons (APs) and ensure their participation in planning and implementation ;
- Pay particular attention to vulnerable groups such as poor persons, elderly, women-headed households and disabled persons affected by the project ;
- Ensure an accessible, responsive and culturally appropriate grievance redress mechanism is available to project-affected persons; and
- Establish principles for internal and independent monitoring.

4. Legal and Policy Framework

4.1. National Laws

The excerpts below present key provisions of the legislation of the Republic of Azerbaijan. They reflect the objectives, principles, and regulatory mechanisms governing land, ownership rights, compensation for acquisition, and the functioning of public councils, as defined by national laws and codes.

Constitution of Azerbaijan Republic

According to Article 29 of the Constitution of the Azerbaijan Republic, the right to property, including private property, is protected by law. No one may be deprived of property without a court decision, and outright confiscation is prohibited. Expropriation for state needs is allowed only with prior fair compensation. The state also guarantees the right of inheritance.

Land Code (1999)

As outlined in Article 2 of the Land Code, the objective of the Land Code of the Republic of Azerbaijan is to manage land relations by defining ownership and use, protecting land rights, promoting efficient and sustainable land use, restoring soil fertility, rehabilitating degraded areas, and supporting environmental protection.

Pursuant to Article 49, private individuals and legal entities may acquire land ownership through privatization, purchase and sale, inheritance, donation, exchange of state and municipal lands, other land-related transactions, and by contributing land to the charter (share) fund of legal entities.

In accordance with Article 56, Municipal reserve lands may be privatized and transferred to private ownership if they are intended for future settlement development or have limited agricultural value. Until privatization decisions are made, such lands may be leased to individuals and legal entities, provided that future development plans are not harmed. Allocation of land for private residential construction to Azerbaijani citizens who have lived and registered in the municipality for at least five years is allowed, subject to legal restrictions. In all other cases, ownership or lease rights for municipal land can only be obtained through open bids or tenders.

As stated by Article 57, land allocation for non-agricultural and non-forest purposes follows a two-stage process: (1) preliminary approval of the facility location and (2) registration of the land plot. Industrial facilities, transport infrastructure, power lines, communication networks, and pipelines are mainly allocated from state and municipal lands. If privately owned land is affected, compensation is provided either through payment or allocation of another plot, as required by law. The rules governing such allocations are regulated by the Land Code and other relevant legislation of Azerbaijan.



As reported by Article 247, compensation for land acquired for state needs is determined based on market or restoration value, depending on the availability of a land market. The calculation takes into account protection of property rights, livelihood, and living standards of affected persons, adjustment for inflation, market value of land or buildings, and potential damages caused when only part of a land plot is acquired. Compensation must ensure that affected persons are not left in worse conditions than before relocation. Compensation covers relocation costs if acquisition forces a change of residence, business, or workplace. Certain factors are excluded from compensation, such as urgency of acquisition, refusal to vacate, and speculative changes in land value. Compensation may be provided in various forms, including equivalent land or housing, agricultural inputs, lump-sum or periodic payments, food supply, training for employment, or other agreed methods. Affected persons may choose one or more forms of compensation.

Law on Public Participation (2013)

In accordance with Article 11, Public councils adopt decisions on organizational matters and issue opinions, proposals, and appeals on other issues. These are to be reviewed by central and local executive authorities and self-government bodies in line with the Law on the Procedure of Consideration of Citizen Appeals. If opinions or proposals are not considered, the responsible authority or official must provide justification.

Civil Code (2000)

Article 157.9. Protection of Property

The State may confiscate property for public use only in cases defined by the Law of the Republic of Azerbaijan *On Confiscation of Land for Public Use*. Such cases include the construction and installation of roads and other communication lines of national importance, ensuring full protection of the state border in border regions, construction of defence and security facilities, and development of mining industry facilities of national importance.

Article 246. Land Appropriation for Public Needs

Decisions on land appropriation are made by the relevant executive authority under the Law *On the Land Appropriation for Public Needs* and must be registered in the real estate register. Landowners are notified in writing. Within 90 days after signing the sales contract, authorities must fully compensate the owner, transfer property rights at their own expense, and, if the land is a residence, assist with relocation. These rules also apply to associated immovable property. If appropriation is refused, re-appropriation of the same land is not permitted for three years. All related procedures and compensation are regulated by the Law *On the Land Appropriation for Public Needs*.

Article 247. Compensation for Appropriated Land and Rights



Compensation for land appropriated for public needs is based on market value or replacement value (if no active land market exists). In determining compensation, factors such as timely recovery of livelihoods, inflation, market value of land/buildings, partial land loss, damage to other property or income, and relocation costs are considered. Factors not considered include urgency of appropriation, refusal to vacate, or speculative future price changes. Compensation may be provided in various forms: equivalent land, housing or structures, agricultural inputs, guarantees for common-use property, lump-sum payments, periodic payments for lost income, food provision, vocational training, or other agreed forms. Affected persons may choose one or more compensation types.

Articles 248–249. Court Approval and Legal Validity

Land appropriation becomes effective only after court approval, which verifies compliance with the law, ownership transfer, and compensation. Affected persons may appeal on grounds such as non-compliance, unfair compensation, or lack of authority. No costs are imposed on affected persons. Once a purchase decision is taken, the land is legally considered appropriated, rights converted into compensation claims, and the purchasing authority must ensure evaluation, compensation, documentation, and, if necessary, relocation preparation.

4.2. AIIB E&S Standard 2: Land Acquisition and Involuntary Resettlement

AIIB's Environmental and Social Standard (ESS) 2 (2016) addresses impacts of Project-related land acquisition, including restrictions on land use and access to assets and natural resources, which may cause physical displacement and/or economic displacement. Physical displacement is a result of relocation, loss of land or shelter. Economic displacement is a result of loss of land or assets, or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood.

Involuntary resettlement refers to the impacts of both physical and economic displacement and the processes to mitigate and compensate them. Resettlement is considered involuntary when the Project-affected people do not have the right to refuse land acquisition or restrictions on land use that result in physical and/or economic displacement. This occurs in cases of lawful expropriation or temporary or permanent restrictions on land use, as is the case on the Project.

In the context of the project, ESS 2 is applicable to economic displacement resulting from permanent or temporary loss of access to formal or informal economic activities (e.g., small shops owners and informal vendors, among others) but also displacement of people as a result of Project impacts that render their land or other assets unusable or inaccessible; or land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation. This includes employees and contractors of affected business structures.



The objectives of AIIB ESS 2 are:

- To avoid involuntary resettlement wherever feasible;
- To minimize involuntary resettlement by exploring Project alternatives;
- Where avoidance of involuntary resettlement is not feasible, to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-Project levels and to provide resettlement assistance;
- To understand and address gender-related risks and differential impacts of involuntary resettlement;
- To improve the overall socioeconomic status of the displaced poor and other vulnerable groups; and
- To conceive and implement resettlement activities as sustainable development programs, providing sufficient resources to enable the persons displaced by the Project to share in Project benefits.

While adjustments to the project design will be made to avoid impacts of physical displacement, if they do occur such impacts are identified, assessed and addressed by the development and implementation of a Land Acquisition and Resettlement Plan (LARP). Per ESS2, the objective of resettlement is to provide persons displaced by the Project with the necessary assistance. If there is relocation this can include the following, as applicable:

- security of tenure (with tenure rights that are at least as strong as the rights the displaced persons had to the land or other assets from which they have been displaced) of relocation land (and/or other assets, as applicable)
- adequate housing at resettlement sites with comparable access to employment and production opportunities
- integration of resettled persons economically and socially into their host communities; and
- extension of Project benefits to host communities to facilitate the resettlement process.

Impacts of economic displacement are identified, assessed and addressed by the development and implementation of a Livelihood Restoration Plan, for applicable parts of the Project. Per ESS2, the objective of livelihood restoration is to improve, or at least restore, the livelihoods of all persons economically affected by the Project through:

- a) where feasible, land-based resettlement strategies when affected livelihoods are land-based or where land is collectively owned; or cash compensation at replacement value for land, including transitional costs, when the loss of land does not undermine livelihoods;
- b) prompt replacement of assets with assets of equal or higher value;
- c) prompt compensation at full replacement cost for assets that cannot be restored; and



- d) capacity-building programs to support improved use of livelihood resources and enhance access to alternative sources of livelihood.

A project proponent needs to make equally available to all Project-affected people and in a manner adapted to their respective needs, assistance for livelihood improvement or restoration, such as:

- skills training,
- access to credit,
- entrepreneurship and job opportunities (...).

Transaction costs need to be included in determining compensation.

In addition, PAPs are entitled to resettlement assistance that includes, as applicable:

- transitional support and development assistance, such as land development, credit facilities, training or employment opportunities;
- civic infrastructure and community services, as required; and
- special assistance to woman-headed households and vulnerable households.

Impacts are determined through a survey of all affected assets, a census of affected persons, an evaluation of socio-economic conditions specifically related to the risks and impacts of displacement and an identification of gender-differentiated sources of livelihoods, including informal ones. ESS 2 prescribes that a project proponent needs to facilitate the informed participation in meaningful consultations of persons affected by the project. Such consultations include the rights of project-affected persons (PAPs) in the land acquisition and livelihood restoration process, their entitlements and compensation options, and any further participation process. As such, PAPs are involved in planning, implementation, monitoring and evaluation of the Land Acquisition and Resettlement Plan as well as the Livelihood Restoration Plan. In doing so the needs of vulnerable persons affected by the project are considered. The LARP and LRP also need to be disclosed in accordance with the applicable provisions of ESS 1 Sections 19 to 22.

ESS 2 further prescribes that compensation needs to be paid and other entitlements be provided before any project-related displacement takes place. Eligibility to compensation is extended to affected persons without title to land or any recognizable legal rights to land. They are provided with resettlement assistance and compensation for loss of (ownership or use of) assets not related to land.

AIIB ESS 2 recognizes that land may have been acquired before the AIIB project was formally identified, and the standard sets out when and how such legacy issues must be addressed.

For projects with land acquisition directly linked to the project and taking place within three years of project identification by AIIB, the client will carry out a 'due diligence review' of the



project, address any deficiencies to meet AIIB standards and provide supplemental compensation, livelihood support or other remedial actions where relevant. If past resettlement is involved, the client may prepare a Due Diligence Report on past land acquisition and a Corrective Action Plan (CAP), or a Supplemental Livelihood Restoration Plan, if gaps are identified.

For projects where land was acquired beyond three years of the project being identified by AIIB, no additional due diligence or actions are required in accordance with the standard, unless there are unresolved grievances, ongoing livelihood or resettlement issues, or affected people who have not been properly compensated or resettled

4.3. Gap Analysis

This section presents an analysis of the gaps between the AIIB ESS 2 and applicable legislation from Azerbaijan. Where gaps exist between national legislation and international requirements, the more stringent standard shall apply, and a measure to bridge the gap is proposed in the Table 1 below.

Table 1. Gap Analysis of AIIB ESS2 and Azerbaijan Legislation

AIIB Requirement	Applicable Legislation	Gap	Proposed Measure to Bridge Gap
Make persons displaced by the Project who are without title to land or any recognizable legal rights to land, eligible for, and provide them with, resettlement assistance and compensation for loss of assets not related to land, in accordance with cut-off dates established in the LARP/LAP/RP.	Compensation to title holders; tenants with legal rights; legal long-term occupants including renters. Resettlement assistance for non-title holders.	Informal interests in assets are not eligible for compensation per Azerbaijani legislation.	Lack of title is not a bar to compensation and/or rehabilitation. Non-titled landowners or land users receive compensation for affected assets, rehabilitation and assistance, and livelihood restoration. They are also able to salvage the material of any project-affected structures.
Compensation to be provided at replacement value.	Compensation to be determined based on market value as well as replacement value. In case both principles are applicable, the one that provides larger compensation will be	Loss of easement rights and land use rights are not considered eligible for compensation.	Compensation for lands and lost or damaged structures is based on replacement value. Depreciation is not considered in the valuation of structures. Loss of easement and other land use rights are also eligible for compensation.

AIIB Requirement	Applicable Legislation	Gap	Proposed Measure to Bridge Gap
	applied (Article 55.2, 58 & 59 of LALSN, 2010). No compensation for easements and loss of rights over land use.		
Where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, the Client may, with the prior approval of the Bank, prepare an abbreviated LARP/LAP/RP, covering such elements as the Bank may specify. Impacts are considered “minor” if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.	Under the national legislation (LALSN, 2010), in cases where more than 200 people need to be relocated over a distance of more than 100 meters, a resettlement plan must be prepared. In other cases, only a resettlement manual will be prepared.	No full resettlement plan is required under Azerbaijani legislation.	A LARP and LRP will be prepared with the prior approval of the bank. At a minimum, the process will include a census, a socio-economic survey, and consultations with PAPs. The implementation of the LARP and LRP will be monitored and reported, irrespective of the number of people affected.
Inclusive engagement or equal participation of	In accordance with Law No. 150-IIIQ, Article 3,	There is a need for meaningful	Women will actively participate in all land acquisition and resettlement related consultations and negotiations by putting in place measures for meaningful



AIB Requirement	Applicable Legislation	Gap	Proposed Measure to Bridge Gap
women in the resettlement planning process.	discrimination based on sex is prohibited, and special measures shall be implemented to ensure gender equality.	consultation with women, recognizing them as a vulnerable group. However, the resettlement process does not specifically include requirements for the involvement and participation of women in consultations.	participation in these consultations, including appropriate meeting times, transport, childcare support, as well as convening of women-only meetings when appropriate.
Targeted assistance for vulnerable groups, including female-headed households, poor households, widows, and unemployed women, and others (based on the social assessment) in resettlement issues.	National legislation ensures broad social protection but does not include targeted measures for vulnerable persons during resettlement.	No targeted measures for vulnerable persons during resettlement.	Tailored vulnerable persons support measures will be agreed and implemented.
Establish a suitable Project-level grievance redress mechanism (GRM)	Grievance Commission (Article 75 of LALSN, 2010) to be appointed in large-	The Grievance Commission is only to	Complaints and grievances will be resolved through the Project's grievance redress mechanism that will be established.

AiIB Requirement	Applicable Legislation	Gap	Proposed Measure to Bridge Gap
to receive and facilitate resolution of the concerns of persons displaced by the Project and inform them of its availability	scale projects in case of necessity. The Executive Agency, Land Acquisition Group, Control Agency, local Executive Power, municipalities are able to receive, consider, and solve grievances and complaints.	be appointed in large-scale projects.	
Rehabilitation support will be provided for income and livelihood restoration, compensation for severe losses, and reimbursement of expenses incurred by the PAPs during the relocation process.	No additional provisions for income rehabilitation, allowances for severely affected or vulnerable PAPs considered.	No additional provisions for income rehabilitation, allowances for severely affected or vulnerable PAPs considered.	All affected persons will be provided with resettlement assistance, livelihood restoration, transitional support and development assistance, and special assistance to woman headed households and vulnerable households.
Cut-off date: Conduct a land survey and census as early as feasible during Project preparation to establish clear cut-off	Article 46 of Land Code of Azerbaijan (Expropriation of Land for State and Public Needs) and Article 4 of the Law of the Republic of Azerbaijan on Expropriation for State	The cut-off date is not explicitly mentioned in the legislation.	Establish a clear cut-off date for eligibility and communicate this widely.



AIB Requirement	Applicable Legislation	Gap	Proposed Measure to Bridge Gap
<p>dates for eligibility and to prevent encroachment.</p>	<p>Needs (Expropriation Procedure) refer to the date of the expropriation decision or the date when the landowner is officially notified of the expropriation. The people who own or legally occupy the land on that date are entitled to compensation.</p>		
<p>Using suitably qualified and experienced experts, monitor and assess resettlement outcomes under the Project, their impacts on the standards of living of displaced persons and whether the objectives of the LARP/LAP/RP have been achieved, by taking into account the baseline conditions and the results</p>	<p>No provision</p>	<p>No provision for monitoring the implementation of land acquisition and resettlement</p>	<p>Using suitably qualified and experienced experts, monitor and assess resettlement outcomes under the Project, their impacts on the standards of living of displaced persons and whether the objectives of the LARP and LRP have been achieved, by taking into account the baseline conditions and the results of resettlement monitoring. The extent of monitoring is proportional to the Project's risks and impacts.</p>



AIIB Requirement	Applicable Legislation	Gap	Proposed Measure to Bridge Gap
of resettlement monitoring. The extent of monitoring is proportional to the Project's risks and impacts.			

5. Institutional Framework

The institutional framework identifies the relevant institutional stakeholders, defines the roles and responsibilities along with the necessary coordination mechanisms to carry out land acquisition, resettlement, and livelihood restoration measures in accordance with Azerbaijan legislation and AIIB's Environmental and Social Framework (ESF). It guarantees transparency, oversight and gender-sensitive measures.

5.1. Baku Metropolitan Closed Joint Stock Company (Baku Metro)

Baku Metro is the project proponent that has the following key responsibilities:

- Ultimate accountability for the comprehensive planning, coordination and delivery of the project activities
- Making certain that all activities are consistent with both national legislation and the AIIB Environmental and Social Framework (ESF)
- Manage the preparation, approval, and implementation of the Land Acquisition and Resettlement Plan (LARP) and Livelihood Restoration Plan (LRP), overseeing that land acquisition, compensation, resettlement and livelihood restoration activities are conducted transparently, fairly, and efficiently
- Appoint an independent agency that is selected competitively to conduct the replacement cost appraisal of affected assets
- Manage all community consultation and engagement efforts, ensures the effective operation of a comprehensive Grievance Redress Mechanism (GRM)
- Ensure continuous monitoring and reporting in compliance with national laws and AIIB safeguard standards
- Guarantee that gender-sensitive and inclusive measures are embedded in all project activities, supporting equitable involvement and protecting vulnerable groups

5.2. The State Committee on Property Issues (SCPI)

The State Committee on Property Issues (SCPI) of Azerbaijan is a central government body responsible for managing and privatizing state property, attracting investments, and maintaining the unified state registry and cadastre of real estate. Key functions include the privatization of state enterprises, land registration, land management, and the organization of the land market. It serves as the central authority for all state policy and regulation in these areas. The SCPI's key responsibilities vis-à-vis the project include:



- Deliver expert legal support across all aspects of land acquisition and compensation to ensure compliance with national legal requirements.
- Responsible for carrying out detailed property assessments, maintaining comprehensive and accurate land inventories, recording documentation of property ownership and usage rights.
- Guarantee that compensation arrangements are consistent with national laws and meet AIIB safeguard requirements taking into account replacement costs, livelihood restoration, and assistance for vulnerable groups.

5.3. Local District Executive Authorities in Baku

Key Responsibilities:

- Responsible for providing support for community-level project execution.
- Responsible for identification of all affected persons including landowners, informal users, ensuring that no affected group is overlooked.
- Responsible for issuing the legal instrument that establishes the cut-off date for eligibility.
- Facilitate community consultations and public hearings maintaining transparent communication with residents regarding project activities, implementation schedules, and their rights.
- Facilitate land transfer procedures, temporary land use planning, and logistical arrangements for relocation.
- Ensure that resettlement and compensation activities proceed fairly, efficiently, and in accordance with both national and AIIB safeguard standards.

5.4. Courts and Legal Institutions in Azerbaijan

Key Responsibilities:

- Assume ultimate responsibility for resolving conflicts regarding land ownership, compensation, and resettlement issues.
- Upholds the right of affected persons to seek legal remedies independently in cases where administrative grievance resolution fails. This affirms constitutional rights and provides a just, transparent, and enforceable avenue for resolving disputes.



6. Type of Expected Impacts of Displacement

It is expected that the project will cause impacts of economic displacement and potentially impacts of physical displacement depending on the design of the stations. However, land acquisition and past resettlement processes at both depot sites and station Y 14 require further due diligence to confirm alignment with lender requirements and to identify any unresolved legacy issues.

6.1. Depots

At Khojasan Depot, several informal residential and non-residential structures were constructed after 2004 and were cleared during 2015, with the last large residential building in the center of the site demolished in 2020. Occupants were reportedly relocated and compensated, but documentation has not been reviewed to confirm adequacy of the process against AIIB safeguard standards.

At Darnagul Depot, land previously included residential structures and part of a cemetery. Baku Metro reported that approximately 346 gravestones and an undefined number of residential and potentially also non-residential structures were removed around 2013. Records verifying that all human remains were exhumed and relocated, and affected persons duly compensated for the removal of their (non) residential structures have not been provided yet.

6.2. Existing Stations

The refurbishment of the 10 existing stations along the Green Line can potentially generate impacts of economic displacement on the people currently using the stations for their economic activities.

6.3. New Stations

The construction of the four stations that are part of the expansion of the Green Line are expected to generate the displacement impacts highlighted in Table 2:

Table 2. Expected Types of Displacement Impacts Across Depot and Station Site

#	Site	Expected types of displacement impacts
1	Darnagul Depot	<ul style="list-style-type: none"> • Past permanent loss of residences (to be confirmed) • Past permanent loss of graves
2	Khojasan Depot	<ul style="list-style-type: none"> • Past permanent loss of residences (to be confirmed)



#	Site	Expected types of displacement impacts
3	Station Y14	<ul style="list-style-type: none"> • Past permanent loss of residences (to be confirmed) • Past permanent loss of business structures and sources of income (to be confirmed)
4	Station Y15	None anticipated
5	Station Y16	<ul style="list-style-type: none"> • Permanent loss of access to business structure and location • Loss of business income • Loss of employment
6	Station Y17	<ul style="list-style-type: none"> • Past and current (temporary) partial loss of business income
7	Refurbishment of 10 existing stations along Green Line	<ul style="list-style-type: none"> • Loss of livelihoods (to be confirmed)



7. Entitlements and Eligibility

Entitlements are the various compensation, livelihood restoration, allowances and support measures that are provided to the eligible PAPs. Eligibility to entitlements is determined by the rights that a PAP holds to an asset that is directly or indirectly affected by the Project at the time of the declaration of the cut-off date, or at the time the impact occurred (time to be determined based on satellite imagery) if no cut-off date was declared. For example, no uniform cut-off date is applicable to the two depot and some of the new station sites given the historic land acquisition processes at a number of the sites, including Darnagul depot, Khojasan depot, and Station Y14.

The entitlement matrix defines the proposed compensation, allowance, support and livelihood restoration packages and links compensation entitlements to types of impacts and categories of affected persons. Typically, the following criteria are considered and combined as needed:

- Loss of residential structure
- Loss of land or temporary occupation of land
- Loss of formal ownership or usage rights
- Loss of informal usage rights
- Owners of businesses
- Operators and employees
- Non-residents or residents (non-residents could include landlords renting their properties out).

Entitlements can include the following:

- Cash compensation as mandated by local law.
- Allowances and other support measures that supplement mandatory compensation, intended to bridge gaps in local legislation against the full replacement cost requirement of ESS 2.
- Provision of alternative, replacement housing.
- Other allowances to cover the cost of moving, registration, reestablishment of utilities, changing identification documents, discomfort and disturbance, and so forth.
- Assistance in the form of non-cash packages, such as training for livelihood restoration.
- Livelihood restoration measures
- Vulnerable persons support measures.

A Project-specific Entitlements Matrix is presented in Table 3 which will guide compensation of PAPs on the project and will be refined upon completion of the socio-economic baseline data collection:

Table 3. Entitlements Matrix

Type of Loss	Entitled Persons	Entitlements
Commercial structures	Owners/operators	<ul style="list-style-type: none"> - Compensation in cash for any immovable structures belonging to the business per replacement rates for structures (as applicable); - Relocation assistance including compensation for moving heavy equipment or the like; and - Assistance for business relocation to a proper agreed site, including assistance to identify an alternative business location. - Salvage of material
Loss of income	Affected households (operators of business, employees)	<ul style="list-style-type: none"> - Allowance for loss of business income during the reestablishment period; - Income restoration; - Training; and - Transitional allowance.
Loss of residential structure	Owners of residential structures	<ul style="list-style-type: none"> - Replacement residential structure with security of tenure with comparable access to employment and production opportunities - Cash compensation at

Type of Loss	Entitled Persons	Entitlements
		<p>replacement value for any associated non-residential structures</p> <ul style="list-style-type: none"> - Relocation assistance (support with loading, moving and off-loading belongings; registration; utility connections etc.) - integration of resettled persons economically and socially into their host communities; and - extension of Project benefits to host communities to facilitate the resettlement process - Salvage of material.
Informal settlers	Non-titled residents	<ul style="list-style-type: none"> - Compensation for structures; - Relocation and Livelihood support. - Salvage of material
Vulnerable groups	Elderly, disabled, women-headed households, for example	<ul style="list-style-type: none"> - Additional assistance, priority in livelihood support.

8. Resettlement Strategy

For each subproject (depot or station and associated land take requirements) involving (past or future) acquisition of land rights by Baku Metro that has only impacts on affected persons' residences and does not require the displacement of their (formal or informal) livelihood activities, the following steps will be undertaken:

- 1) Assessment of potential adjustments to the design of each project component in order to avoid and/or minimize impacts on residential land and structures.
- 2) Identification of all assets directly or indirectly affected by the Project and the individuals and households residing at the affected assets, establish the cut-off date for eligibility and conduct a census of all owners and users of the affected assets.
- 3) Conduct a socio-economic household survey to collect data on the affected persons' socioeconomic and living conditions prior to the project, including data on their vulnerability status.
- 4) Conduct a survey of all affected assets (land, structures etc.).
- 5) Analyze asset survey and socio-economic baseline data of affected persons and assess impacts.
- 6) Define eligibility rules (Who will be entitled to compensation?).
- 7) Develop proposed compensation and support measures (compensation packages) tailored to each affected person in order to restore their living standards to pre-project levels, considering the vulnerability status of each affected person. This includes design of replacement housing and site, materials, construction method etc.
- 8) Prepare the draft Land Acquisition and Resettlement Plan that sets out the proposed compensation measures (with sufficient analysis allowing the evaluation of whether the living standards of affected households are restored).
- 9) Consult the affected persons and host communities, and negotiate and agree on the proposed entitlements that are part of the resettlement strategy with each affected person.
- 10) Sign agreement on the resettlement measures with each affected person.
- 11) Prepare and disclose the final LARP that sets out the agreed entitlements.
- 12) Define processes and procedures to implement land acquisition and resettlement, including compensation measures and relocation activities, resettlement budget, and schedule.



- 13) Discuss these processes with key stakeholders, particularly the affected community, including women,, vulnerable groups, and involved government agencies.
- 14) Implement the resettlement measures contained in the LARP.
- 15) Monitor and evaluate the implementation of the LARP.
- 16) Implement corrective measures as needed.



9. Income and Livelihood Restoration Strategy

For each subproject (depot or station and associated land take requirements) involving (past or future) acquisition of land rights by Baku Metro that has only impacts on affected persons' livelihoods and does not require the displacement of their (formal or informal) residence, the following steps will be undertaken:

- 1) Assessment of potential adjustments to the design of each project component in order to avoid and/or minimize impacts on assets (commercial structures) from which people derive a livelihood and the livelihoods of persons currently using the asset.
- 2) Identification of all assets directly or indirectly affected by the Project and the enterprises operating at the affected assets, and conduct a census of all business owners, employees, contracted workers and others using the affected assets.
- 3) Enterprise survey based on official records of each business from the five years prior to land access by Baku Metro to assess impacts on each business.
- 4) Collect and analyze socio-economic baseline data of business owners, employees, contracted workers and other people actively involved in the affected business disaggregated by gender and age, including data on their vulnerability status.
- 5) Develop proposed income and livelihood restoration measures (compensation packages) tailored to each affected person in order to restore their levels of income to pre-project levels, considering the vulnerability status of each affected person.
- 6) Prepare the draft Livelihood Restoration Plan that sets out the proposed income and livelihood restoration measures (with sufficient analysis allowing the evaluation of whether the affected income and livelihoods of affected households are restored and affected income and livelihoods of affected vulnerable affected households are enhanced/improved).
- 7) Consult the affected persons and negotiate and agree on the proposed entitlements that are part of the livelihood restoration strategy with each affected person.
- 8) Sign agreement on the livelihood restoration measures with each affected person.
- 9) Prepare and disclose the final Livelihood Restoration Plan (LRP) that sets out the agreed entitlements.
- 10) Implement the income and livelihood measures contained in the LRP.
- 11) Monitor and evaluate the implementation of the LRP.
- 12) Implement corrective measures as needed.

Further details on each of these steps are provided in the sections below.



Based on information currently available, it is expected this process will need to be followed for Station Y16 and Station Y17 and potentially all or a selection of the 10 existing stations that will be refurbished.

9.1. Adjustments to Project Design

The sites of the two depots and four stations have been identified, which leaves limited opportunity to make adjustments to avoid or minimize impacts of displacement. However, where possible, for example during the identification of the sites for the ventilation shafts and definition of the project land take area of Station Y16 during the detailed design process, efforts will be made to locate project infrastructure so as to avoid and/or minimize impacts of displacement by preserving existing (commercial and/or residential) structures. By doing so, it may be possible to avoid affecting additional enterprises. Upon finalization of the project design, an assets inventory and census are undertaken.

9.2. Asset Inventory and Census

The asset inventory involves the survey and measurement of household, enterprise, government and community assets (as applicable) that will be subject to (partial or full, temporary or permanent) loss (or loss of access) as a result of the Project. Assets can include (but are not limited to) rights to land, land improvements, dwellings and associated structures, other immovable property such as enterprise structures, trees and crops, community assets and access to natural resources, and cultural and spiritual property.

The purpose of the land and asset inventory is to define what will be partially or fully, temporarily or permanently lost (e.g., land, assets, and access to assets) due to the project. This will be the basis for valuation of losses and determination of compensation. Coupled with the census, the inventory supports establishing a cutoff date for eligibility.

The census involves the identification and enumeration of all holders of rights to assets affected by the project with names of affected persons and their basic demographic data. This includes entrepreneurs owning or renting buildings to run their businesses, employees (full- and part-time), other occupants and users with an interest in the affected businesses at the time of conducting the census, regardless of their legal rights. As such, a census will be undertaken of all persons having an interest in the enterprises located at the Station Y16 site and the enterprises on either side of the Station Y17 construction site that do not need to be moved but are affected by the road closure since at least 2014. The census defines the population that will be subject to household socio-economic surveys as discussed below.

As part of the asset inventory, it will be determined whether cadastral and land parcel information is complete and up-to-date and accurately reflects current ownership and occupation, or whether additional land parcel surveys will be required. During the census the affected persons' tenurial status is verified.



The cutoff date, where applicable, is declared at the end of the asset inventory and census. The census establishes a list of the people and enterprises present in the project footprint at the cutoff date, that is, those who will be eligible for compensation, livelihood restoration or other forms of assistance.

Key aspects of the assets inventory and census include the following:

- Provision of information and engagement with affected persons before embarking on the asset inventory and census.
- The publication of the cutoff date.
- The obligation to make affected persons aware of avenues for making a complaint.
- The need to recognize certain categories of informal or extralegal land use and occupation that might be excluded from official land and asset surveys.
- The need to recognize informal and ambulatory businesses, as applicable.

BAKU METRO will engage an independent experienced consultant to conduct the asset inventory and census for Station Y16 and Station Y17. Baku Metro and each PAP will sign off on the individual asset inventory and census sheets.

9.3. Enterprise Survey

Using the data of the asset inventory and census, BM will engage an independent expert to conduct an enterprise survey (including a valuer, lawyer or accountant in the team) to establish the losses of the enterprises due to the project based on the business records. This includes the expected losses at the Station Y16 site and the past and current losses due to the project since the road closure for the construction of Station Y17 and until the road is opened again.

Information to be gathered include the following:

- Name and gender identify of owner(s) and operator(s), if these differ
- Type of business or enterprise
- Type of ownership (sole proprietor, partnership, company, cooperative, registered, or informal)
- Details of tenure rights associated with the business structure
- Description of commercial structures and any fixed plant and equipment, as applicable
- Monthly or annual income for the three years preceding the project impact and all years since the project impact occurred (Station Y17)
- Monthly expenses
- List of employees with details of their gender identities, employment basis (full-time, part-time, casual), and typical earnings
- Locational requirements
- Degree of expected impacts (fully/partially/permanently/temporarily displaced).



The purpose is to determine the following:

- 1) The loss of income experienced between the occurrence of the impact and the time that the business can reasonably be expected to be reinstated (typically three to six months for small businesses in emerging economies); and
- 2) The cost of physical relocation of equipment and structures, if applicable, and any legal (reregistration) and other costs; and
- 3) Transaction costs such as costs of registration of new property, reestablishment of utilities at new site, and reestablishment of forms of identity and other legal documents (make inquiries with official agencies and utilities), and indirect costs of transportation and lost time to take care of formalities.

In establishing the loss of income, consideration needs to be given to reestablishing a business for women, as applicable. The relocation may result in the closure of a business that a woman cannot restart because she does not have access to financial support or a new location for her business, or because her domestic situation has changed since she first started the business. The woman may have started her business despite discriminatory laws and/or social norms that prohibit women from engaging in income-generating activities. These laws and social norms may be strengthened as a result of the resettlement.

Where applicable, enterprise compensation includes compensation for land, buildings, and other immovable assets owned by the business and is based on full replacement cost. This includes offsetting businesses losses (lost income) during the transition period, as well as the cost of reestablishing the business elsewhere, if applicable.

A valuation of the losses of income, costs of physically relocating and reestablishing the businesses, and transaction costs caused by the Project will be conducted for each enterprise individually. These losses also need to be evaluated for all business employees and contractors, which are typically calculated at the monthly salary times the number of months needed until the business is reestablished since the impact occurred and the employee is fully employed again. Typically, this could range from three to six months or until the business is able to reestablish itself.

Assessing the losses caused by temporary or partial impacts to businesses such as is the case at the Station Y17 construction site requires determining the impacts to each business during the time that it is closed or that business is reduced. The same principles as discussed above apply while estimating the period and extent of disruption.

9.4. Socio-Economic Baseline Data

Socio-economic baseline data are collected on each PAP (and their household by extension) to describe their socio-economic conditions and livelihoods before any land acquisition. Baseline data collection defines who is affected by the project and what losses they are



expected to experience in terms of land, assets, and livelihoods, as applicable. Baseline implies that the data will be used as a reference to define pre-land acquisition conditions for future monitoring of impacts and the effectiveness of measures to improve livelihoods. A livelihood restoration completion audit will also refer to baseline data as the benchmark for assessing achievement of LRP objectives.

In designing baseline data collection, a simple, robust, and easily measurable set of key performance indicators (KPIs) should be selected that will define household livelihood levels for the baseline, subsequent monitoring surveys, and the livelihood restoration completion audit.

If the livelihood of one member of a household is affected by the project, then all members of his or her household¹ are counted as part of the project-affected population. This is because the household's shared income will be reduced due to any individual member's livelihood loss.

The following baseline data will be collected for livelihood restoration planning purposes:

- History of site occupation and land use.
- Land and asset tenure arrangements.
- Demographic characteristics of the household: age, gender, socioeconomic circumstances, livelihoods and occupations (including those not affected by the project) of the household members.
- Household composition and characteristics.
- Household health and nutrition (sex disaggregated).
- Household ownership and use of assets (sex disaggregated).
- Economic activities of the household (productive activities for cash and subsistence, as applicable) and division of labor.
- Information about the educational attainment, skills, prior work experience, and any preferences for future employment or small business of household members of working age.
- Household income, expenditure, savings, and indebtedness (sex disaggregated).
- Household access to and use of services (e.g., schooling, health care, markets, and public transport).
- Access to infrastructure (e.g., water, electricity, heating, cooking fuel, and sanitation).
- Local administrative, community and business organizational structures.
- Social networks and safety nets.
- Attitudes and preferences for livelihood restoration.
- Barriers to accessing livelihood opportunities for women and vulnerable persons.

¹ A household is defined as a group of persons sharing a home or living space, who aggregate and share their incomes, as evidenced by the fact they regularly take meals together.



The collected baseline data are used to identify households that may be particularly vulnerable e.g., very poor, elderly, physically or intellectually impaired, chronic illness, ethnic minority or otherwise socially marginalized.

Upon completion of data collection, a summary report is provided to each affected household.

9.5. Develop Proposed Compensation Packages

The results of the census, asset survey, enterprise survey and socio-economic baseline data collection on each affected person and their household allows for the development of the proposed tailored compensation packages, i.e. the full suite of cash compensation, income, livelihood restoration and support measures each PAP is entitled to called 'livelihood restoration measures' to offset the opportunity costs born by PAPs as a result of the land acquisition process. It is possible that additional studies and surveys need to be undertaken to establish, for example, individual reestablishment costs for affected businesses, transaction costs, costs of moving and transitional support. The compensation packages will be set out in the entitlements matrix.

The sum of the individual compensation packages will determine the overall compensation budget.

The proposed individual compensation packages will be signed off by BM prior to being presented to the affected persons.

Depending on the outcome of the baseline surveys and type and degree of impact, compensation packages could include, for example:

- Cash compensation to business owner/operator for lost income for the period between the impact and the reestablishment of the business (at replacement cost, i.e. including taxes) (Station Y17 and potentially other stations).
- Support to find an alternative business location that allows retaining employees and finding clients after relocation and the subsequent transition.
- Moving allowance to move business equipment to the new location.
- Transaction allowance to cover the costs of, for example, registering the business at the new location.
- Cash compensation for wages of employees and other transitional support until the business is re-established.
- Skills training and capacity building for business operators and employees who cannot re-establish their enterprise in a trade of their choice.
- Registration of unemployed workers and facilitation of job placement.



- Preferential access to training, job and procurement opportunities on the project - key project construction contractors and suppliers can be leveraged to provide training, skills development, work experience and employment opportunities².
- Specific support measures for vulnerable persons.

9.6. Prepare Draft Livelihood Restoration Plan

The purpose of the LRP, required for example for Station Y16 and Station Y17, is to specify all livelihood restoration arrangements and the measures for avoiding, minimizing, or compensating losses or other negative social impacts resulting from land acquisition. It establishes the basis for the agreement with each affected person. The LRP outlines institutional arrangements, legal frameworks, entitlement framework, proposed compensation packages, land acquisition and livelihood restoration consultation processes, grievance mechanism, implementation budget. A table of contents for the LRP is provided in Appendix 2.

The draft LRP is based on outcomes of the tasks discussed previously and is issued for consultation with key stakeholders including PAPs and government prior to being finalized.

9.7. Consult Affected Persons on Draft Livelihood Restoration Plan

Consult the affected persons on the draft LRP and agree on the compensation packages with each PAP individually. For this purpose, a simple summary document will be disclosed and discussed in smaller forums such as focus groups to discuss specific aspects in the LRP.

As per AIIB ESS 1, paragraph 23.2 meaningful consultation is an interactive process to provide information and facilitate informed decision-making that, inter alia:

- is designed so that all relevant parties have a voice in consultation;
- provides additional support as needed so that women, elderly, young, disabled, minorities and other vulnerable groups participate;
- provides timely disclosure of relevant and adequate information, including availability of the Project's GRMs and of the PPM, which is understandable and readily accessible to the people affected by the Project and other relevant stakeholders;
- is undertaken in an atmosphere free of intimidation or coercion;
- is gender sensitive, inclusive, accessible, responsive and tailored to the needs of vulnerable groups; and
- enables the consideration of relevant views of people affected by the Project and other concerned stakeholders in decision-making.

² Project procurement and supply contracts can be unbundled, where possible and applicable, to provide opportunities for local businesses. A local content champion should be established to facilitate making opportunities for local businesses and to encourage employment of women in those businesses that secure contracts.



9.8. Sign Agreements

Upon agreeing with each affected person on the livelihood restoration measures, compensation agreements are formalized and signed by all relevant parties. All parties receive an original copy of the compensation agreement.

9.9. Prepare and Disclose Final Livelihood Restoration Plan

Upon signing the compensation agreements, the final Livelihood Restoration Plan that sets out the agreed entitlements is prepared and disclosed. Disclosure occurs (a) in English, together with summaries incorporating elements of this documentation that are relevant to stakeholders, including the Project-affected people, in language(s) understandable to them; and (b) on the BM's website, with the summaries disclosed in an accessible manner in the Project area.

9.10. Delivery of Compensation

The Livelihood Restoration Plan is implemented by the provision of in-kind and/or cash compensation and other entitlements as set out in the compensation agreement signed with each PAP. Delivery of compensation must be prior to the impact, where possible.

Employees receive compensation directly and not through the business owner that employs them.

Where a delay occurs between valuation and compensation payment, particularly if in the interim economic conditions have changed (e.g., inflation), the value of the compensation should be reviewed and updated, if needed, to reflect the new conditions.

Livelihood restoration programmes such as skills training, capacity-building and preferential access to project opportunities are also organized.

9.11. Monitoring and Evaluation

The implementation of the Livelihood Restoration Plan is monitored and evaluated as described in Chapter 11 Monitoring and Reporting Framework.

10. Public Consultation, Participation and Disclosure

Public consultation and participation occur throughout the land acquisition, resettlement and livelihood restoration process. As per AIIB ESS 2 the consultation covers project design, mitigation and monitoring measures on a Project-specific basis, and implementation issues. The Bank requires the project proponent to engage in meaningful consultation with stakeholders during the Project's preparation and implementation, in a manner commensurate with the risks to and impacts on those affected by the Project.

As per the project's Stakeholder Engagement Plan (Vista, September 2025), public consultation and participation will occur as follows:

- Continuous consultation with stakeholders, especially affected persons through public meetings, focus groups and individual consultations
- Disclosure of draft and final LARP and LRPs in local language(s)
- Provision of translation and assistance for vulnerable PAPs.
- Reports on grievance redress and outcomes are disclosed in accordance with the applicable provisions of ESS 1, Sections 19 through 22.

Civil society, community organisations and other NGOs will actively participate in the consultation process helping raise awareness about project impacts and rights, and contributing to the design of socially inclusive mitigation measures. They will also be responsible for supporting the conduct of independent monitoring of land acquisition, resettlement and livelihood restoration processes, guaranteeing transparency, accountability, and compliance with both national laws and AIIB safeguards.

This LARPF as well as each LARP and LRP are disclosed on the websites of Baku Metro and AIIB. The executive summaries of these documents are translated to Azerbaijani and disclosed on the forementioned websites and in the project area.

11. Grievance Redress Mechanism

The Grievance Redress Mechanism described in the Baku Metro Expansion Project Stakeholder Engagement Plan (SEP) is also the channel which stakeholders can use to raise grievances relating to current or historical land issues relating to the project.

A grievance is an issue, concern, problem, or claim (perceived or actual) that an individual or community group wants to see resolved. The Grievance Redress Mechanism (GRM) is a locally based, project-site-specific extra-legal way to receive and facilitate resolution of the project-related concerns of persons displaced by the Project. The GRM is designed to promptly address promptly displaced persons' concerns and complaints (including gender-related concerns and gender-based violence (GBV)), using an understandable and transparent process that is gender sensitive, culturally appropriate and readily accessible to all affected people. Provisions are included to protect complainants from retaliation, grant them confidentiality and enable them to remain anonymous, if requested.

11.1. Principles

The GRM is accessible, free, non-retaliatory, and confidential, with anonymous submissions accepted. SEA/SH cases follow survivor-centered procedures (confidential intake, informed consent, referral to qualified services, no investigation by the PIU). Recourse to courts remains available at any time. In addition, stakeholders may, if unresolved, approach AIIB's Project-Affected People's Mechanism (PPM).

11.2. Process

The GRM follows a four-step process:

- 1) Intake and registration (by Baku Metro GRM Focal Point); triage (urgent / standard / SEA-SH). Record all grievances in GRM Log (see Appendix B).
- 2) Assessment and response plan (with responsible unit and timeline); document in the GRM Log.
- 3) Resolution and close-out; complainant signs acceptance or notes disagreement; escalation path explained and recorded in GRM Log.
- 4) Escalation to PIU Director (if unresolved) and, at any time, referral information for AIIB PPM.

11.3. Service Standards

1. Acknowledge complaint within **5 working days**;



2. Propose resolution or action plan within **30 working days** (simple issues within **2 days**).
3. Transmit urgent issues to the site E&S Manager and PIU immediately.

11.4. Channels

Reporting channels included:

2. Hotline: 964 or +994(12) 490 0000 (weekdays 09:00–18:00) –
3. Email: grm@metro.gov.az (alias to PIU GRM inbox) –
4. Web form: metro.gov.az/grm (Azerbaijani; simple & accessible)
5. On-site: sealed drop-boxes at Darnagul & Khojasan depot gates and PIU front desk
6. In-person: PIU GRM desk, Baku Metropolitan CJSC, [full address]

12. Monitoring and Reporting Framework

Monitoring is the regular assessment of ongoing activities and their outcomes. Monitoring provides project management and affected persons with timely information about whether compensation, livelihood restoration and other measures are being delivered in accordance with LARP/LRP commitments, and whether key outcomes are achieved. Monitoring identifies where adjustments are needed and recommends corrective actions.

Per the requirements of ESS 2 (paragraph 29) monitoring is undertaken by suitably qualified and experienced experts to assess land acquisition, resettlement and livelihood restoration outcomes under the Project, their impacts on the standards of living of displaced persons and whether the objectives of the LARP/LRP have been achieved, by taking into account the baseline conditions. The extent of monitoring is proportional to the Project's risks and impacts. The implementation of the LARP/LRP is verified through submission to and approval by the AIIB of a LARP/LRP completion report upon completion of all required activities.

LARP/LRP monitoring reports and the LARP/LRP completion report need to be disclosed in accordance with the applicable provisions of ESS 1, *Sections 19, Overview of Environmental and Social Information Disclosure through 22, Language and Location of Environmental and Social Information Disclosed*.

Both internal monitoring conducted by Baku Metro, reported to AIIB and focused on implementation progress and performance, and external monitoring focused on performance and compliance and conducted by an independent expert at regular intervals and upon completion to evaluate land acquisition, resettlement and livelihood restoration effectiveness, will be conducted.

12.1. Internal Monitoring Objectives

Internal monitoring begins at land acquisition, resettlement and livelihood restoration planning and involves measurement through time of specific indicators to assess ongoing activities and progress including the following objectives:

- Actions and commitments defined in the LARP/LRP are implemented fully and delivered on time.
- LARP/LRP actions and compensation measures are effective in helping affected persons sustain or improve pre-project living standards.
- Complaints and grievances are being followed up with appropriate corrective actions and tracking of outcomes.
- PAPs are informed about project impacts and mitigations and have a say in the design of mitigation (resettlement and/or livelihood restoration) measures.



- Vulnerable persons are tracked and assisted as necessary.
- Recurrent or systemic problems that require correction are identified and fixed.

12.2. Internal Monitoring Indicators

Internal monitoring will be conducted regularly using a set of indicators that must be identified during the planning phase and included in the LARP/LRP. These indicators should be context- and program-specific, tailored to the nature and scale of displacement. Some of these indicators may also service as Key Performance Indicators (KPIs) for project management and external stakeholders. Examples of indicators are presented in Table 4. All monitoring indicators included in the LARP/LRP will be based on the baseline data collected during the LARP/LRP planning process.

Table 4. LARP/LRP Example Indicators

Indicators	Measured how	Frequency	KPI?
Overall spending on land acquisition, resettlement and livelihood restoration activities (planning and implementation).	Financial records	Quarterly	Yes
Number of full-time and part-time staff and consultants (gender-disaggregated) dedicated to compensation, resettlement and livelihood restoration activities.	Human Resources	Quarterly	Yes
Number of households and/or people that received cash compensation in the period, with distribution by purpose and by classes of amounts	Data management system	Quarterly	No
Number of households and/or people (sex disaggregated) that received resettlement and/or livelihood restoration-related assistance/training with distribution	Data management system	Quarterly	No



Indicators	Measured how	Frequency	KPI?
by type of assistance/training.			
Number of open grievances at the end of each quarter and trends over time.	Grievance log	Quarterly	Yes
Number of grievances opened and closed in the period and trends over time.	Grievance log	Quarterly	No
Categories of grievances and trends over time.	Grievance log	Quarterly	No
Gender of aggrieved individuals.	Grievance log	Quarterly	No
Has compensation been paid at full replacement cost? Is compensation updated to take account of value increases?	Current markets	Yearly	Yes
Use of compensation.	Conduct yearly survey of compensated households. Check use of compensation and gender aspects.	Yearly	No
Satisfaction with allocated alternative business location.	Conduct satisfaction survey one year after the move.	One year after move	No
Business reestablishment: have businesses been successfully reestablished?	Survey of businesses and compare with baseline	Yearly	Yes
Business employees: are employees still employed in the relocated businesses?	Survey of employees and compare with baseline	Yearly	No
Income: are household incomes restored?	Survey occupations and income and compare with baseline	Yearly	No

Indicators	Measured how	Frequency	KPI?
Vulnerability: <ul style="list-style-type: none"> - Have some households become vulnerable (e.g. due to illness or death of the main wage earner or loss of their support networks?). - Have any households previously identified as vulnerable improved their status? 	Survey of affected households	Yearly	No

2.1. External Monitoring: Compliance Reviews

Compliance reviews conducted by external experts check whether the implementation of the program complies with the LARP/LRP and with the government's and AIIB standards. Compliance reviews are based on the internal monitoring activities, particularly indicators and surveys, developed and conducted by the project. Compliance reviews are undertaken regularly throughout land acquisition, resettlement and livelihood restoration planning and implementation. The reviews continue until a completion audit is undertaken. Reviews include liaising with government representatives during audits as well as affected persons and other relevant stakeholders.

The scope of work of compliance reviews for land acquisition, resettlement and livelihood restoration includes the following:

- Assess overall compliance with LARP/LRP objectives and commitments as well as government and AIIB policies and standard on land acquisition and involuntary resettlement.
- Verify progress on the recommendations that the external compliance reviewer made during previous visits.
- Interview a representative cross-section of affected households and enterprises to
 - Assess the extent to which the standards of living and livelihood of displaced households for men and women have been improved or restored.
 - Measure whether men and women in households have been sufficiently informed and consulted with.
 - Gather their opinions on entitlement delivery, livelihood restoration measures, and grievance management.
- Review whether entitlements were delivered and implemented on time (as set out in the LARP/LRP implementation schedule).



- Assess whether compensation is at full replacement cost.
- Review any livelihood restoration programs and the extent to which they are assisting in improving or restoring livelihoods for affected households with consideration of gender equality.
- Verify implementation of measures to improve or restore the quality of life and livelihoods of displaced households and assess their effectiveness.
- Assess the extent to which the quality of life and livelihoods of men and women affected by the project are being improved or restored.
- Review internal monitoring and reporting procedures for conformity with the LARP/LRP.
- Review internal monitoring records and identify any potential areas of noncompliance, systemic or recurrent problems, or any vulnerable groups or households that may have not received adequate assistance.
- Review grievance records for evidence of any significant noncompliance or recurrent poor performance in livelihood restoration implementation or grievance management.
- Engage with a sample of complainants to review generic grievances (if applicable) and to obtain their views on the fairness of the grievance management process and resolution.
- Appraise systems to identify, track, and assist vulnerable people, and assess compliance with the LARP/LRP.
- Assess whether there are adequate resources to implement the LARP/LRP and any training or capacity-building requirements.
- Assess the data management system and its outputs and outcomes.
- Compare progress against the initial schedule.
- Review any situations of corruption, extortion, or other unethical behavior, and how they have been managed.

The LARP/LRP will outline the terms of reference of compliance reviews with a description of implementation arrangements (level of effort, frequency of reviews, and disclosure of reports).

12.3. External Monitoring: Completion Audit

The completion audits will assess whether the land acquisition, resettlement and livelihood restoration program is complete, objectives have been met, commitments delivered, and any corrective actions are needed to achieve targeted outcomes. The completion audit will be undertaken three years after implementation of resettlement and/or livelihood restoration measures has been completed. The completion audit will be conducted by a resettlement/livelihood restoration specialist or group of specialists that have not been previously involved with the project. The completion audit draws on the data generated by ongoing internal monitoring and the findings of the external compliance reviews. The LARP/LRP will define clear, measurable, and realistic completion indicators. Baseline and



completion audit surveys gather data pertinent to the completion indicators as the basis for assessing completion.

The objectives of the completion audit are the following:

- Assess the effectiveness of all measures to avoid and minimize displacement impacts by comparing final project impacts on land and people against those anticipated in the LARP/LRP.
- Verify that all entitlements and commitments described in the LARP/LRP have been delivered and verify that delivery of compensation, resettlement and livelihood restoration measures was transparent, equitable, and prompt.
- Determine whether LARP/LRP measures have been effective in restoring or enhancing affected persons' living standards and livelihoods, including both men and women and vulnerable people.
- Check that grievances and court cases have been satisfactorily resolved (or that adequate provision has been made for their resolution in the near future).
- Check that gender barriers have been effectively challenged to ensure improved livelihood opportunities for women.
- Identify any corrective actions to achieve completion of LARP/LRP commitments and prepare a corrective plan if warranted.

The scope, timing, and implementation arrangements for the completion audit will be presented in the LARP/LRP.

12.4. Reporting

Monitoring reports, whether internal or external, will be short and concise, with a summary of findings and a clear set of recommendations and corrective actions. Numerical indicators will be presented in a simple, preset format so comparisons can easily be made from one report to another. Trends between periods will be clearly shown.

To enhance transparency and facilitate stakeholder interest and involvement, the reports produced for each external compliance review, as well as completion audit reports, will be made public while maintaining the confidentiality of participants. Where needed, user-friendly summaries in Azerbaijani, or Russian where necessary, can be prepared to provide feedback to local communities.

The LARP/LRP will provide the template for monitoring reports and disclosure.

13. Schedule

The following timeline is envisaged for the planning and implementation of each LARP/LRP:

Table 5. LARP/LRP Implementation Timeline

Activity	Timeline
Finalization of project design	Month 0
Census, asset and socio-economic baseline surveys	Month 1
Development of compensation packages and drafting of LARP/LRP	Month 2-3
Consultations and negotiations on compensation packages	Month 4
Preparation and approval of final LARP/LRP	Month 5-6
Implementation	Month 7-10
Monitoring	Month 3 onwards



Appendix 1: Terms of Reference for Preparation of a Land Acquisition and Resettlement Plan and Livelihood Restoration Plan

This appendix provides suggested Terms of Reference (TOR) for consultants to be used when requesting proposals for a Land Acquisition and Resettlement Plan and Livelihood Restoration Plan.

I. Background and Introduction

This section presents a summary of the proposed project in terms of the project developer, project components, and associated land impacts, schedule, and characterization of project-affected persons based on findings of the Land Acquisition and Resettlement Planning Framework.

II. Objectives of the LARP and LRP

Baku Metro is to confirm standards to be adopted by the land acquisition, resettlement and livelihood restoration exercise, as described in the LARPF. The objectives of the LARP and LRP include the following:

- To prepare a LARP and LRP in conformance with the Project's policies to avoid or mitigate impacts; to provide compensation for loss of assets at replacement cost; to restore (or improve) livelihoods of affected persons; and to do so in ongoing consultation with affected persons.
- To conduct the relevant socio-economic studies (census, household surveys, business/enterprise surveys, as well as focus groups) to adequately characterize and identify the impacts to businesses, households, communities (as applicable) associated with acquisition of land.
- To conduct stakeholder engagement with the relevant affected persons and authorities to make informed decisions and build toward a social license to operate.

III. Tasks

III.a. Project Management

The Consultant is to appoint a Project Manager with extensive experience in preparing a LARP/LRP that meets requirements of the legislation of Azerbaijan and applicable international standards. The Project Manager will be responsible for the day-to-day implementation of the LARP/LRP work, including regular updates to the client and timely delivery of the final products.



III.B. Desk Review

The Consultant will conduct a desk review of all relevant available data to include engineering reports, maps, scoping reports, national laws, socioeconomic studies, environmental and social impact assessments, and so forth.

III.C. Description of the Regulatory Framework

- Identify and confirm applicable national and regional land acquisition, resettlement and livelihood restoration legal requirements, permitting procedures, and compensation eligibilities as described in the LARPF.
- Identify international financing requirements.
- Identify project policies and principles.
- Identify and bridge gaps between the above three and state project land acquisition, resettlement and livelihood restoration strategies.

III.D. Project Impacts

- Identify types of project land use (including restriction of land access): direct and indirect, permanent and temporary.
- Prepare impact tables that detail each category of affected land, assets, and persons, including livelihoods.
- Document the project displacement impact minimization process and outcomes.

III.E. Identification of Affected Persons, Communities, and Resources

Identify PAPs, communities, and resources (as applicable) through the following field surveys and participatory appraisal techniques:

- A census to enumerate all affected persons and register them according to location (working with project implementation unit team to establish cut-off date and process; ensuring cut-off process is defined and implemented).
- An inventory of lost and affected assets at the enterprise, household and community levels (as applicable).
- Socio-economic surveys and studies of all affected persons (including vulnerable peoples), ensuring data can be disaggregated by sex and age.
- An enterprise survey, additional socioeconomic studies and assessments of livelihoods.



- Analysis of surveys and studies to establish compensation parameters to design appropriate income restoration and sustainable development initiatives that promote gender equality, and to identify baseline monitoring indicators.
- Consultation with affected persons regarding mitigation measures and development opportunities; focus groups with women, underrepresented people, and vulnerable people (as applicable); identification of ways that the land acquisition and resettlement process could differentially impact women.

III.F. Stakeholder Engagement and Public Disclosure

- Map key stakeholders and develop specific strategies of engagement throughout the LARP/LRP process.
- With Baku Metro, conduct stakeholder engagement consultation prior to cut-off and prior to commencement of baseline studies to confirm that a grievance mechanism is in place and functional.
- Disclose the draft and final LARP and LRP.

III.G. Eligibility Criteria and Compensation

The Consultant will do the following:

- *Establish criteria for determining the compensation eligibility of affected persons:* Eligibility criteria must be advantageous to women and other vulnerable groups, including those without legal title to assets. The eligibility criteria will be disclosed to affected persons and other project stakeholders as part of task 5. Feedback from the disclosure process will be used in the delivery of compensation and/or livelihood restoration.
- *Prepare an entitlements matrix listing all likely impacts and identifying the following:*
 - All categories of affected persons.
 - All types of loss associated with each category.
 - All types of compensation and assistance to which each category is entitled.
- *Prepare options for relocation (as applicable):* these will build on the existing social, economic and cultural parameters of both displaced persons and host communities. Provide for relocation costs, lost income, and income support during transition. Where appropriate, prepare relocation plans, including selection and preparation of relocation sites. Make provisions for landownership, tenure, and transfer and access to resources.
- *Where relevant, develop blueprint and plans for replacement housing.*
- *Prepare standards for compensation and livelihood restoration:* Prepare a formula for setting full replacement costs for assets lost, including businesses. Establish options for culturally acceptable replacements for lost income. Define measures for restoration of livelihoods and ensure options



promote gender equality. Provide for business relocation costs, lost income, and income support during transition.

- *Because incomes must be restored, plan for needs assessment, employment generation, identification of replacement business structures, and other livelihood restoration measures.* Develop a plan for restoration of livelihoods defining process, compensation measures, partners, time frame, and so forth. Where affected persons are to change their occupation, provide for training and vocational support mechanisms.
- *Make special provision for vulnerable groups:* Assess the risks of GBV throughout the land acquisition, resettlement and livelihood restoration process. Make provisions for additional support to vulnerable people.

III.H. Grievance Mechanism

Strengthen grievance and dispute mechanisms and include as part of the LARP and LRP. The process shall clearly describe how affected persons will seek redress for grievances regarding any aspect of the LARP and LRP. The process should give special attention to women and members of vulnerable groups to ensure they have equal access to grievance redress procedures. The process should be suitable for receiving grievances about incidents of sexual exploitation and abuse during the land acquisition and resettlement process. In many cases, this will mean the development of a specially trained staff and a streamlined process for receiving and resolving these kinds of grievances.

III.I. Implementation Process

Prepare a timeframe and implementation schedule for land acquisition, resettlement and livelihood restoration in conjunction with the agreed implementation schedule for project components, showing how affected persons will be informed, to include cut-off, compensation, moving households' residences and businesses where necessary, livelihood restoration, monitoring, and the completion audit. Include roles and responsibilities: government, internal project partners, and consultants.

III.J. Change Management

Include process to adjust the LARP and LRP and to document these changes.

III.K. Monitoring

Prepare a monitoring plan, identifying the responsibilities, time frame, and some key indicators. This will include ongoing monitoring by Baku Metro and other key agencies supplemented by an independent evaluation. Specify the timeframe for monitoring and reporting. Define timeframe and process for completion audit.

III.L. Budget



Prepare an indicative budget. Identify indicative land acquisition, resettlement and livelihood restoration costs. Prepare budgetary allocation and timing. Specify sources of funding and the approval process. Prepare an annual budget estimate for resettlement and livelihood restoration by major category of expenditure.

IV. Deliverables

Present the requirements and time frame for all deliverables:

- Draft LARP.
- Draft LRP.
- Final LARP.
- Final LRP.

V. General Requirements of Consultant

The LARP and LRP contractor will provide a team with the requisite skills to carry out the tasks to achieve a LARP and LRP that meets the task requirements outlined above. The team will include experts with demonstrated expertise in the following areas: resettlement, socio-economic studies, stakeholder engagement, restoration, land law and acquisition, livelihood restoration planning and implementation, gender and GBV; relevant project experience; skills in Azerbaijani; in-country experience, and familiarity with international standards.

It is expected that the LARP and LRP team will include one senior experienced international specialist to project manage and lead the team and a consultant from Azerbaijan with a sound knowledge of the project area and people. The consultant will propose other specialists in different fields of expertise as required. The team should be gender diverse.



Appendix 2: Annotated Table of Contents for Land Acquisition and Resettlement Plan

Executive Summary

The Land Acquisition and Resettlement Plan (LARP) executive summary provides readers with an understanding of the key issues associated with the LARP: types of impacts with a focus on physical displacement; number of people impacted; description of measures to mitigate impacts, time frame, roles, and responsibilities; overview of policies to which the LARP is developed; and an overview of the stakeholder engagement and grievance process.

Glossary

A key component of the LARP, the glossary provides a description of the key terms used such as *replacement value*. Refer to the Glossary in the LARPF.

1. Introduction

- Project description provides a summary of the Project, including all the components (including associated facilities) and a description of the project footprint, the construction timeline, location, general roles and responsibilities, and project ownership. Includes maps.
- Scope and contents provides an overview of what the LARP covers and an overview of each of the chapters. Includes a summary of displacement impacts.

2. Project Impacts

This section describes all project impacts related to land acquisition and resettlement, as well as alternatives considered and efforts to minimize impacts and includes:

- *Summary* provides an overview of physically displaced project-affected persons disaggregated by type of displacement typically in tabular form. Additional disaggregation can be helpful—for example temporary or permanent displacement. It is important that these figures have a high degree of accuracy and that the categories are clear.
- *Project components (including associated facilities) or activities* that give rise to displacement. Includes maps.
- *Description of Project footprint and area of influence* of such components or activities.
- *Scope and scale* of land acquisition and impacts on residential structures and other fixed assets; households; cultural heritage; public facilities; common property areas; and so forth as identified during the asset inventory and census.
- *Project-imposed restrictions on use of, or access to, land or natural resources*, as applicable.



- *Alternatives* include those considered to avoid or minimize displacement and why those were rejected.
- *Mechanisms established to minimize displacement* during project construction and operation.

3. Objectives and Processes

- *LARP objectives* describe what the intended results of the LARP implementation will be.
- *Processes* provides an overview of how the LARP will be implemented, including discussion of the scoping process, stakeholder engagement and grievance mechanism (GM), studies undertaken, and implementation schedule.

4. Legal Framework

- *Legal framework* includes a summary of constitutional law, sectoral laws, and decrees as relevant. It includes laws related to land acquisition, resettlement, land tenure, stakeholder engagement, GMs, women's rights, rights of informal land users, cultural heritage, eviction, expropriation, and compensation for displacement.
- *Applicable legal and administrative procedures* includes a description of the judicial remedies available to displaced persons, the normal time frame for such procedures, and any available GRMs that may be relevant to the project.
- *Laws and regulations* includes those relating to the agencies responsible for implementing land acquisition and resettlement activities.
- *Project/lender policies* includes a summary of policies covering all aspects of resettlement. This includes policies related to land acquisition, compensation, resettlement, gender rights and GBV, stakeholder engagement, GMs, and so forth.
- *Gap analysis* is presented as a matrix comparing the national legal framework and project/lender policies and the mechanism to bridge such gaps. See Chapter 4 of the LARPF.

5. Institutional Framework

- *General framework* describes the relevant national government structures, including agencies responsible for all aspects of land acquisition and resettlement, municipal government entities and communal leadership, and so forth. Includes organizations that may have a role in LARP implementation.
- *Institutional capacity* includes an assessment of the capacity of such governmental agencies and organizations.
- *Institutional support* describes measures proposed to strengthen institutional capacity.



6. Baseline Studies

Provides an overview of findings of socio-economic studies conducted in the early stages of LARP preparation, including results of household and census surveys, information on vulnerable groups, information on standards of living, land tenure and transfer systems, patterns of social interaction, social services, and public infrastructure.

- *Census and land and asset survey* of affected households and their residential and non-residential structures assets includes methodology, implementation, and results.
- *Socio-economic baseline surveys* includes a description of the following, at a minimum:
 - Methodology.
 - Implementation process.
 - Results including information on:
 - Characteristics of displaced households, associations and communities (and host communities where relevant).
 - Production systems, labour, household organization, and social networks.
 - Information on livelihoods (including, as relevant, income, production levels, and income derived from formal and informal economic activities, as well as from land users who have no legal right to the land they use).
 - Standards of living (including health status) of the displaced population.
 - Vulnerable groups or persons for whom special provisions may have to be made.
 - Private, public, or community infrastructure, property, or services that may be affected.
 - Business, income or subsistence-generating infrastructure, property, or services that may be affected.
 - Land tenure and transfer systems; characterization of affected land.
 - Potentially affected cultural heritage.
 - Total affected structures, plots of land, households, businesses, workers, business structures, fields, and so forth.
- *Summary socio-economic description, categorization, and characterization* of affected persons, communities, affected land, and businesses; tables summarizing impacts; description of project-affected persons' preferences for compensation and livelihood restoration measures.

7. Valuation and Compensation Methodology

This section describes the project's policies and methodology for valuing assets and providing compensation:

- *Methodology* used in valuing losses to determine replacement costs, including relevant



formulas and processes for valuation, including updates to valuations.

- *Compensation*, including a description of the proposed types and levels of compensation to include residences, structures, land, businesses, business structures, and loss of wages and all other forms of livelihoods, as well as transitional support and so forth.

8. Eligibility and Entitlements

- *Eligibility* includes the definition of displaced persons and criteria for determining their eligibility for compensation and resettlement assistance, including relevant cut-off dates.
- *Entitlement* describes all categories of affected persons and the options that they are being offered for all losses (including compensation, allowances, and assistance). This is preferably provided in tabular form (entitlement matrix). Where relevant, this includes host communities.

9. Resettlement

This section includes the process of resettlement site selection and design and/or resettlement housing design as well as construction.

- **Resettlement site selection describes** institutional and technical arrangements for identifying, acquiring, and preparing relocation sites. Includes engineering and site designs. Includes discussion of alternative site consideration.
- *Housing* includes description of replacement housing and material. Includes architectural designs and photos of model house. Includes description of how entitlements are assigned: room-for-room replacement or by square foot.
- *Construction* describes the process for constructing the replacement houses (self-build, local firms, outsourced, etc.).
- *Infrastructure* outlines plans to provide infrastructure and utilities (e.g., water, electricity, roads) and social services (e.g., schools, clinics), including measures to ensure their maintenance. Includes plans to enhance services for host communities.
- *Relocation* describes how relocation will be conducted and types of assistance provided, including timetables for site preparation and transfer of households. Includes consideration of measures to ensure maintenance of social networks, kinship groups, and existing patterns of group organization.
- *Host communities* defines measures to enhance integration with host communities.
- *Security of tenure* describes measures for regularizing tenure and transferring titles to those resettled.

10. Stakeholder Engagement

The section includes a description of stakeholder engagement and disclosure associated with resettlement planning, including engagement with affected households, local and/or national authorities, relevant organisations, and other identified stakeholders, including host communities.

- *Summary* provides an overview of all consultation and engagement efforts related to



resettlement planning with all LARP stakeholders. Includes relevant dates and process followed. Provides summary of key issues raised.

- *Stakeholder mapping* provides results of stakeholder analysis and mapping. Includes charts and figures.
- *Stakeholder engagement and information disclosure* outlines the plan for ongoing consultation and communication with stakeholders. Includes summary of the methodology, plan for monitoring and reporting disclosure, time frames, and schedules.

11. Grievance Redress

Provides an overview of grievance mechanism (GM) to resolve disputes arising from land acquisition and resettlement.

- *Principles*. Outlines grievance mechanism principles, including accessibility, affordability, transparency, cultural appropriateness, and so forth.
- *Significant grievances*. Provides overview of significant grievances submitted prior to completion of LARP (past land acquisition and resettlement, ownership disputes, etc.).
- *Grievance process*. Provides methodology for communicating GM to affected persons—receiving, registering, responding to, monitoring, and reporting on grievances. Includes grievance flow chart and discussion of judicial recourse and third-party mediation.
- *Grievance categories*. Provides description of GM categories. These typically include issues with compensation rates, valuation rates, delays in compensation, and so forth.
- *Sexual harassment and GBV*. Provides measures to address complaints related to sexual harassment and GBV, including specific channels for receiving and resolving these types of grievances.
- *Grievance committee*. Describes functioning and composition.
- *Monitoring GM*. Describes monitoring process including KPIs.

12. Vulnerable People

The LARP baseline studies identify vulnerable people. This section outlines the process for vulnerability and efforts made to provide support.

- *Identification*. Presents and discusses the criteria used to identify vulnerable people.
- *Characterize*. Describes and defines vulnerable project-affected persons.
- *Support measures*. Describes measures to be implemented to provide assistance to displaced vulnerable people.

13. Monitoring, Evaluation and Reporting



Includes discussions of arrangements for monitoring of resettlement activities by the project, government authorities, and other external auditors.

- *Objectives.* Provides the intended outcomes of LARP monitoring.
- *Internal monitoring.* Describes scope and content.
- *External monitoring.* Describes scope and content.
- *Participatory monitoring.* Describes measures to include affected persons in the monitoring efforts.
- *Indicators.* Provides in tabular form, including KPIs with an accompanying explanation. Includes frequency and targets for KPIs.
- *Implementation schedule.* Outlines the schedule of all internal and external monitoring and completion audits.
- *Reporting.* Describes measures for internal and external reporting, including schedule. Defines which reports will be internal and external.
- *Completion audit.* Describes objectives, process, methodology and implementation arrangements of completion audit. Provides completion audit indicators and estimated time frame.

14. Roles and Responsibilities

- *Organizational responsibilities—external.* Describes the external organizational framework for implementing resettlement, including identification of partners responsible for delivery of resettlement measures and provision of services and arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation.
- *Organizational responsibilities—internal.* Provides breakdown of internal roles and responsibilities for LARP implementation including reporting lines. Includes organizational flow chart. Provides overview of internal coordination meetings and schedule.
- *Capacity building.* Describes measures (including technical assistance) needed to strengthen the implementing entities' capacity to design and carry out resettlement activities, provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project (such as schools, clinics, or water), and for transferring other such responsibilities from the resettlement implementing entities, when appropriate.

15. Implementation Schedule and Change Management

- *Schedule.* Provides a detailed implementation schedule in tabular form with a narrative explanation to cover all key aspects of the resettlement process. Includes a review of compatibility of the resettlement schedule with the overall project construction and development schedule.



- *Change management.* Provides for adapting resettlement implementation in response to unanticipated changes in project conditions or unanticipated obstacles to achieving satisfactory resettlement outcomes.

16. Budget

Provides a budget in tabular form with a narrative explanation of all aspects of LARP Implementation.

Appendices

Appendix A. Detailed results of the census and socio-economic survey (Note: ensure privacy of project-affected persons in census and survey results)

Appendix B. Household compensation form

Appendix C. Household land and asset survey form

Appendix D. Template of a grievance registration and follow-up form

Appendix E. Terms of reference for external evaluation and completion audit



Appendix 3: Annotated Table of Contents for Livelihood Restoration Plan

Executive Summary

The Livelihood Restoration Plan (LRP) executive summary provides readers with an understanding of the key issues associated with the LRP: types of impacts with a focus on economic displacement; number of people impacted disaggregated by type of economic displacement; description of livelihood restoration measures, time frame, roles, and responsibilities; overview of policies to which the LRP is developed; and an overview of the stakeholder engagement and grievance process.

Glossary

A key component of the LRP, the glossary provides a description of the key terms used such as *replacement value*. Refer to the Glossary in this LARPF.

4. Introduction

- Project description provides a summary of the Project, including all the components (including associated facilities) and a description of the project footprint, the construction timeline, location, general roles and responsibilities, and project ownership. Includes maps.
- Scope and contents provides an overview of what the LRP covers and an overview of each of the chapters. Includes a summary of economic displacement impacts.

5. Project Impacts

This section describes all project impacts related to land acquisition, as well as alternatives considered and efforts to minimize impacts and includes:

- *Summary* provides an overview of economically displaced project-affected persons disaggregated by type of economic displacement typically in tabular form. Additional disaggregation can be helpful—for example temporary or permanent displacement. It is important that these figures have a high degree of accuracy and that the categories are clear.
- *Project components (including associated facilities) or activities* that give rise to displacement. Includes maps.
- *Project footprint and area of influence* of project provides components or activities.
- *Scope and scale* of land acquisition and other impacts to economic activities could include



impacts to businesses (formal, informal, ambulatory, large scale); wage earners; common property areas; and so forth as identified during the asset inventory and census.

- *Project-imposed restrictions on use of, or access to, land or natural resources*, as applicable.
- *Alternatives* include those considered to avoid or minimize displacement and why those were rejected.

6. Objectives and Processes

- *LRP objectives* describe what the intended results of the LRP implementation will be.
- *Processes* provides an overview of how the LRP will be implemented, including discussion of scoping process, stakeholder engagement and grievance mechanism (GM), studies undertaken, and implementation schedule.

4. Legal Framework

- *Legal framework* includes a summary of constitutional law, sectoral laws, and decrees as relevant. It includes laws related to land tenure, stakeholder engagement, GMs, women's rights, rights of informal land users, expropriation, and compensation for economic displacement.
- *Applicable legal and administrative procedures* include a description of judicial remedies available to displaced persons, the normal time frame for such procedures, and any available GRMs that may be relevant to the project.
- *Laws and regulations* relate to the agencies responsible for implementing economic displacement activities.
- *Project/lender policies* summary of policies covering all aspects of economic displacement. This includes policies related to land acquisition, compensation, gender rights, stakeholder engagement, GMs, and so forth.
- *Gap analysis* is presented as a matrix comparing the national legal framework and project/lender policies and the mechanism to bridge such gaps. See Chapter 4 of this LARPF.

5. Institutional Framework

- *General framework* describes the relevant national government structures, including agencies responsible for handling economic displacement, municipal government entities and communal leadership, and so forth. Includes organizations that may have a role in LRP implementation.
- *Institutional capacity* includes an assessment of the capacity of such governmental agencies and organizations.
- *Institutional support* describes measures proposed to strengthen institutional capacity.



6. Baseline Studies

Provides an overview of findings of socio-economic studies conducted in the LRP preparation stage, including results of household and census surveys, information on vulnerable groups, information on livelihoods, land tenure and transfer systems, business income, and employee wages.

- *Census and land and asset survey* of affected economic assets and affected households/businesses includes methodology, implementation, and results.
- *Economic/enterprise baseline surveys* include a description of the following, at a minimum:
 - Methodology.
 - Implementation process.
 - Results including information on:
 - Characteristics of economically displaced households/businesses/associations.
 - Information on livelihoods (including, as relevant, income, production levels, and income derived from formal and informal economic activities, as well as from land users who have no legal right to the land they use).
 - Standards of living of the economically displaced population.
 - Vulnerable groups or persons for whom special provisions may have to be made.
 - Business, income or subsistence-generating infrastructure, property, or services that may be affected.
 - Land tenure; characterization of affected land.
 - Detailed assessment of all affected businesses and employees (formal, informal, ambulatory, brick and mortar).
 - Total businesses, workers, business structures, fields, and so forth.
- *Summary socio-economic description, categorization, and characterization* of affected persons, communities, affected land, and businesses; tables summarizing impacts; description of project-affected persons' preferences for compensation and livelihood restoration measures.

7. Valuation and Compensation Methodology

- *Methodology* used in valuing losses to determine replacement costs, including relevant formulas and processes for valuation, including updates to valuations.
- *Compensation*, including a description of the proposed types and levels of compensation to include businesses, business structures, and loss of wages, as well as transitional support and so forth.



8. Eligibility and Entitlements

- *Eligibility* includes the definition of displaced persons and criteria for determining their eligibility for compensation and other livelihood-restoration assistance, including relevant cutoff dates. Might include business owners, landlords, farmers, employees, and so forth.
- *Entitlement* describes all categories of affected persons, businesses, and economic activities and the options that they are being offered for all losses (including compensation, allowances, assistance, and livelihood restoration measures). This is preferably provided in tabular form (entitlement matrix).

9. Livelihood Restoration and Improvement

Describes the strategy and measures to be used to restore and improve livelihoods of affected persons.

- *Principles* for eligibility, key aspects of livelihood restoration and improvement entitlements.
- *Summary of livelihood impacts*, includes impacts related to all categories of business, other non-land-based livelihoods, and wage earners.
- *Restoration and improvement* of non-land-based livelihoods (employability enhancement, project procurement and employment, support to small and medium enterprise creation and development) (Provide details on programs for each category of project-affected person requiring livelihood restoration).
- *Gender*, including supplementary measures to ensure that women have equal or enhanced access to livelihood-restoration measures.
- *Vulnerable people*, including measures to provide additional assistance and support for restoration of vulnerable people's livelihoods.
- *Partnerships* for planning and implementation of livelihood restoration and improvement.

10. Stakeholder Engagement

The section includes a description of stakeholder engagement and disclosure associated with economic displacement planning, including engagement with affected households and businesses, local and/or national authorities, relevant organisations, and other identified stakeholders.

- *Summary* provides an overview of all consultation and engagement efforts related to planning with all LRP stakeholders. Includes relevant dates and process followed. Provides summary of key issues raised.
- *Stakeholder mapping* provides results of stakeholder analysis and mapping. Includes charts and figures.
- *Stakeholder engagement and information disclosure* outlines the plan for ongoing consultation and communication with stakeholders. Includes summary of methodology, plan



for monitoring and reporting disclosure, time frames, and schedules.

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13. Monitoring, Evaluation and Reporting

Includes discussions of arrangements for monitoring of compensation and livelihood restoration activities by the project, government authorities, and other external auditors.

- *Objectives.* Provides the intended outcomes of LRP monitoring.



- *Internal monitoring.* Describes scope and content.
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15. Implementation Schedule and Change Management

- *Schedule.* Provides a detailed implementation schedule in tabular form with a narrative explanation to cover all key aspects of the LRP process. Includes a review of compatibility of the LRP schedule with overall project construction and development schedule.
- *Change management.* Provides for adapting LRP implementation in response to unanticipated changes in project conditions or unanticipated obstacles to achieving satisfactory livelihood restoration outcomes.

16. Budget



Provides a budget in tabular form with narrative explanation of all aspects of LRP Implementation.

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