

Area 1 Wind Farm Project Absheron Region Azerbaijan



Livelihood Restoration Plan (LRP)

Prepared for:



February 2023, V7

DOCUMENT INFORMATION

PROJECT NAME	Area 1 Wind Farm Project, Absheron Region, Azerbaijan
5Cs PROJECT NUMBER	1305/001/089
DOCUMENT TITLE	Livelihood Restoration Plan (LRP)
CLIENT	ACWA Power
5Cs PROJECT MANAGER	Reem Jabr
5Cs PROJECT DIRECTOR	Ken Wade

DOCUMENT CONTROL

VERSION	DATE	DESCRIPTION	AUTHOR	REVIEWER	APPROVER
1	05/02/2022	LRP	EFO	RMJ	KRW
1.1	16/02/2022	Revised LRP	EFO	RMJ	KRW
2.0	12/04/2022	Updated LRP	EFO	RMJ	KRW
3.0	26/04/2022	LRP for Public Disclosure	EFO	RMJ	KRW
4.0	12/08/2022	Final LRP	EFO/ BK	RMJ	KRW
5.0	03/11/2022	Update based on Lenders Comment	EFO	RMJ	KRW
6.0	09/01/2023	Update based on Lenders Comment	EFO	RMJ	KRW
7.0	23/02/2023	Update based on Lenders Comment	EFO	RMJ	KRW



1	Financial Capital	Regardless of location, mode of delivery or function, all organisations are dependent on <i>The 5 Capitals of Sustainable Development</i> to enable long term delivery of its products or services.
2	Social Capital	
3	Natural Capital	
4	Manufactured Capital	Sustainability is at the heart of everything that 5 Capitals achieves. Wherever we work, we strive to provide our clients with the means to maintain and enhance these stocks of capital assets.
5	Human Capital	

DISCLAIMER

5 Capitals cannot accept responsibility for the consequences of this document being relied upon by any other party, or being used for any other purpose.

This document contains confidential information and proprietary intellectual property. It should not be shown to other parties without consent from the party which commissioned it.

This document is issued for the party which commissioned it and for specific purposes connected with the above-identified project only. It should not be relied upon by any other party or used for any other purpose.

CONTENTS

1	INTRODUCTION	1
1.1	The Project	1
1.2	Objectives of the Livelihood Restoration Plan	2
2	PROJECT OVERVIEW	3
2.1	Project Location	3
2.2	Project Description Summary	4
2.2.1	Associated Facilities	5
2.3	Project Construction & Commissioning Requirements	6
2.4	Project Operational Requirements	6
2.5	Project Milestones	6
3	LEGAL FRAMEWORK AND COMPLIANCE OBLIGATIONS	8
3.1	National Regulations	8
3.1.1	The Constitution of the Republic of Azerbaijan	9
3.1.2	Land Code	9
3.1.3	Land Acquisition Law	10
3.2	Lender Requirements	12
3.2.1	EBRD	12
3.2.2	ADB	13
3.2.3	OFID	14
3.2.4	Equator Principles	14
3.3	ACWA Power Requirements	14
3.3.1	IFC	14
3.4	Gap Analysis between National and Lenders Requirements	15
4	BACKGROUND AND CONTEXT	22
4.1	Land Ownership and Land Lease	22
4.2	Land Acquisition Process	22
4.3	Land Use	23
5	STAKEHOLDER CONSULTATIONS	24
5.1	General Overview	24
5.2	Consultations as Part of the LRP	26
5.2.1	Identification of Stakeholders and Methods of Consultations	26
5.3	Summary of Consultations as part of LRP	27
5.3.1	Consultations with Government Bodies	27
5.3.2	Consultations with Herders	29
5.4	Project Affected Persons (PAPs)	29

5.5	Public Information Centre (PIC)	30
5.6	LRP Disclosure Meetings	31
5.7	Grievance Redress Mechanism	31
5.7.1	Grievances Received	33
6	SOCIO-ECONOMIC PROFILE OF THE PROJECT AFFECTED PERSONS	34
6.1	Site Survey and Disclosure of Cut-Off Date	34
6.2	Socio-economic Survey	35
6.2.1	Affected Households	35
6.2.2	Gender, Ethnicity and Religion	36
6.2.3	Age and Marital Status	36
6.2.4	Education	36
6.2.5	Health	37
6.2.6	Employment and Income Sources	37
6.2.7	Expenditure	39
6.2.8	Accommodation and Living Condition	40
6.2.9	Household Amenities	40
6.2.10	Access to Utilities and Services	40
6.2.11	Grazing Activities	42
6.2.12	Herb Collection	44
6.2.13	Households Assessment and Losses	45
6.2.14	Women Impacted by the Project	46
6.2.15	Vulnerable Households	46
6.2.16	Impacts of the Project as Perceived by the PAPs	48
6.2.17	PAPs Expectations on Livelihood Restoration Measures and/or Support	48
7	SCOPE OF ECONOMIC DISPLACEMENT	49
7.1	Land Requirements	49
7.2	Impact on Land	49
7.2.1	Impact to Households that Graze at the Project Site	50
7.2.2	Impact to Herb Collectors	51
7.3	Loss of Wages	53
8	ELIGIBILITY AND ENTITLEMENT	54
8.1	Eligibility	54
8.2	Determination of Entitlements	54
8.3	Valuation Methodology	57
8.3.1	Compensation for Loss of Grazing Land	57
8.3.2	Compensation for Lost Income of Workers/Herders	58
8.3.3	Compensation for Vulnerable Groups	58
8.4	Valuation Verification	58
8.5	Compensation Entitlements	58
8.6	Support to Vulnerable Households	59
8.7	Livelihood Restoration Programme	66

8.8	Available Land for Grazing and Herb Collection	68
9	INSTITUTIONAL ARRANGEMENTS	72
9.1	Government Agency	72
9.1.1	Perekeshkul Municipality	72
9.2	ACWA Power	72
9.2.1	Deputy CEO (Project Company)	72
9.2.2	Business Development Team (Azerbaijan Team)	72
9.2.3	Financial Department	73
9.2.4	E&S Implementation Manager	73
9.2.5	HR Manager	74
9.2.6	Grievance Manager	74
9.2.7	Community Liaison Officer	74
9.3	Independent E&S Consultant	75
9.4	Project Lenders	75
10	IMPLEMENTATION SCHEDULE AND BUDGET	76
10.1	Livelihood Restoration Plan - Schedule	76
10.2	LRP Implementation Cost	80
10.3	LRP Contingency Fund	80
10.4	Total Cost Associated with LRP Implementation	80
11	MONITORING AND REPORTING	82
11.1	Auditing	83
11.1.1	Internal Audit	83
11.1.2	Third Party Audit/Completion Audit	83

APPENDIX A – TRANSLATED VERSION OF ONE OF THE SIGNED LLA

APPENDIX B – SAMPLE OF HOUSEHOLD QUESTIONNAIRE

APPENDIX C – COMMUNITY LEAFLETS

APPENDIX D – SUMMARY ON OHTL

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ADB	Asian Development Bank
AZN	Azerbaijani Manat
BOO	Build Own Operate
BoP	Balance of Plant
COVID-19	Coronavirus Disease
E&S	Environmental & Social
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
EPC	Engineering Procurement and Construction
ESIA	Environmental & Social Impact Assessment
ESMS	Environmental & Social Management Systems
FGD	Focus Group Discussions
GIP	Good International Practice
GRM	Grievance Redress Mechanism
Hectare	Ha
HHs	Households
IDPs	Internally Displaced People
IEA	International Energy Agency
IFC	International Finance Corporation
JE	Juru Energy
LLA	Land Lease Agreement
LRF	Livelihood Restoration Framework
LRP	Livelihood Restoration Plan
MoMs	Minutes of Meetings
MoE	Ministry of Energy
MW	Mega-Watt
NGOs	Non-Governmental Organisations
NOMAC	National Operations and Maintenance Company Ltd.
N/A	Not Applicable
OFID	OPEC Fund for International Development
OHTL	Overhead Transmission Lines
OPEC	Organization of the Petroleum Exporting Countries
PAPs	Project Affected Persons
PAHs	Project Affected Households
PPA	Power Purchase Agreement
PIC	Public Information Centre
PR	Performance Requirement
PS	Performance Standard
PV	Photovoltaic
SEP	Stakeholder Engagement Plan
SS	Substation

ABBREVIATION	MEANING
USD	United State Dollars
WFs	Wind Farms
WTG	Wind Turbine Generators
5 Capitals	5 Capitals Environmental and Management Consultancy

1 INTRODUCTION

1.1 The Project

Azerbaijan's National State Programme on the Use of Alternative and Renewable Energy Sources aims to increase the share of alternative and renewable energy sources to 30%. The Programme has identified wind as the preferred source of alternative energy with an estimated annual wind power capacity of 800 MW, based on International Energy Agency (IEA). This is due to the unlimited wind availability in Azerbaijan and the lower costs of the technology (IEA, 2020). ACWA Power signed an implementation agreement with the Ministry of Energy (MoE) in Azerbaijan for developing, building and operating a 240 MW wind power project. The wind project is expected to operate for 25 years on a Build Own Operate (BOO) basis according to the Power Purchase Agreement (PPA). The 240 MW wind project will be split and built on two (2) locations as follows:

- Khizi 3: Capacity up to 162.5 MW and will be generated using 25 x 6.5 MW Wind Turbine Generators (WTG), located in Khizi region; and
- Area 1: Capacity up to 78 MW and will be generated using 12 x 6.5 MW WTGs, located at Absheron region.

ACWA Power is seeking project finance from international lenders such as the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB) and the OPEC Fund for International Development (OFID) who have their own defined Environmental and Social Policies and standards/requirements).

5 Capitals Environmental and Management Consulting (5 Capitals) has been engaged by ACWA Power to undertake the independent Environmental and Social Impact Assessment (ESIA), as well as other environmental and, as well as other environmental and social related scope which also include the Livelihood Restoration Framework (LRF) and Livelihood Restoration Plan (LRP). 5 Capitals has partnered with a locally based consultant, Juru Energy (JE) and its locally based social team to undertake certain elements of the scope, which include provision of support in addressing issues relating identification of affected land users, impact on livelihood, resettlement/relocation, compensation, etc.

This document is the Livelihood Restoration Plan (LRP) prepared for the Project in parallel to the ESIA. The LRP has been informed by the Livelihood Restoration Framework (LRF). The LRP describes the objectives, principles and planned approach to livelihood restoration and compensation for economic displacement within the project site.

It should be highlighted that the Project development will not result in physical displacement or resettlement of people. In addition, the Wind Farm (WF) project area is not leased or used under any formal agreement by the municipality or the government.

Access to the project areas will be temporarily restricted during the construction phase only for health and safety reasons. Such restriction will be limited to the project footprint (i.e. the turbine pad areas, access road, laydown areas, etc.) and for the duration of the construction period which is 18 months. However, during operation, the site will not be fenced and livestock owners and herders can access the areas. Therefore, the impact on livelihood is expected to be very minimal and limited to the construction phase only.

1.2 Objectives of the Livelihood Restoration Plan

The main objectives of the LRP include, to:

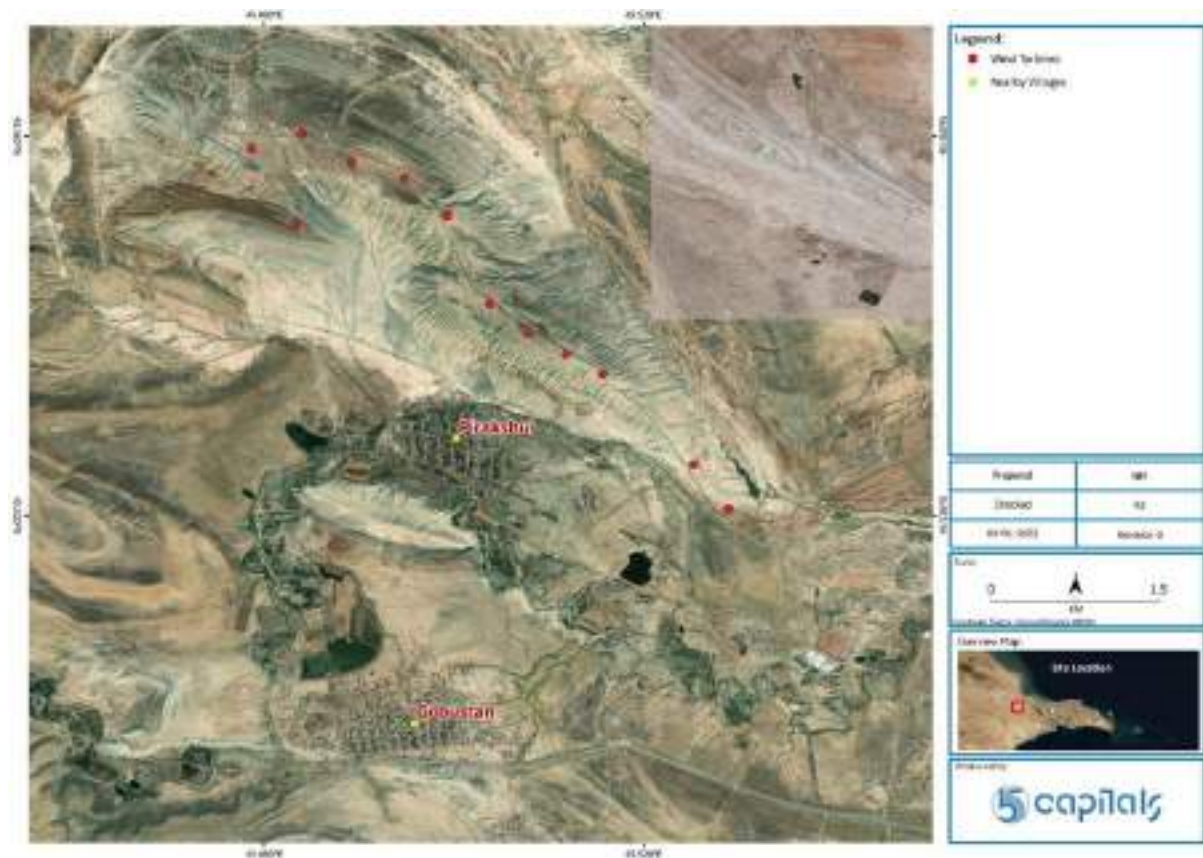
- Gain a full understanding of the current situation concerning land use;
- Provide the guideline that sets out how the project will address economic displacement resulting from its development through livelihood restoration and ensuring the standards of living of the Project Affected Persons (PAPs) are not worse following project implementation;
- Identify the gaps between national law and lenders requirements (EBRD and ADB) and identify how to overcome such gaps;
- Ensure the PAPs without legal lease agreements or any recognisable legal rights to land are eligible for compensation or support for livelihood restoration;
- Determine the existence of vulnerable groups among the PAPs in order to ensure they are provided with applicable additional support;
- Ensure that the PAPs are informed and aware of the livelihood restoration processes;
- Ensure that the affected people are not impoverished as a consequence of loss of livelihood and their livelihood are improved or restored as a minimum;
- Outline the Grievance Mechanism that will be followed in order to address any concerns/complaints, request for additional information etc. of the PAPs. It should be noted that this GRM is related to the on-going project GRM that the PAPs can also access;
- Set out the monitoring requirements of the livelihood restoration outcomes to ensure the objectives of the Livelihood Restoration Plan (LRP) have been met; and
- Establish organisational arrangements and processes to monitor the implementation of the LRP and take corrective actions as necessary.

2 PROJECT OVERVIEW

2.1 Project Location

The Project is located in an area that spans between the Khizi and Absheron regions of Azerbaijan. The site is located approximately 28 - 45 km northwest of Baku. Perekeshkul (also referred to as Cayli village) is located approximately 1 km west of the WF as shown in the figure below.

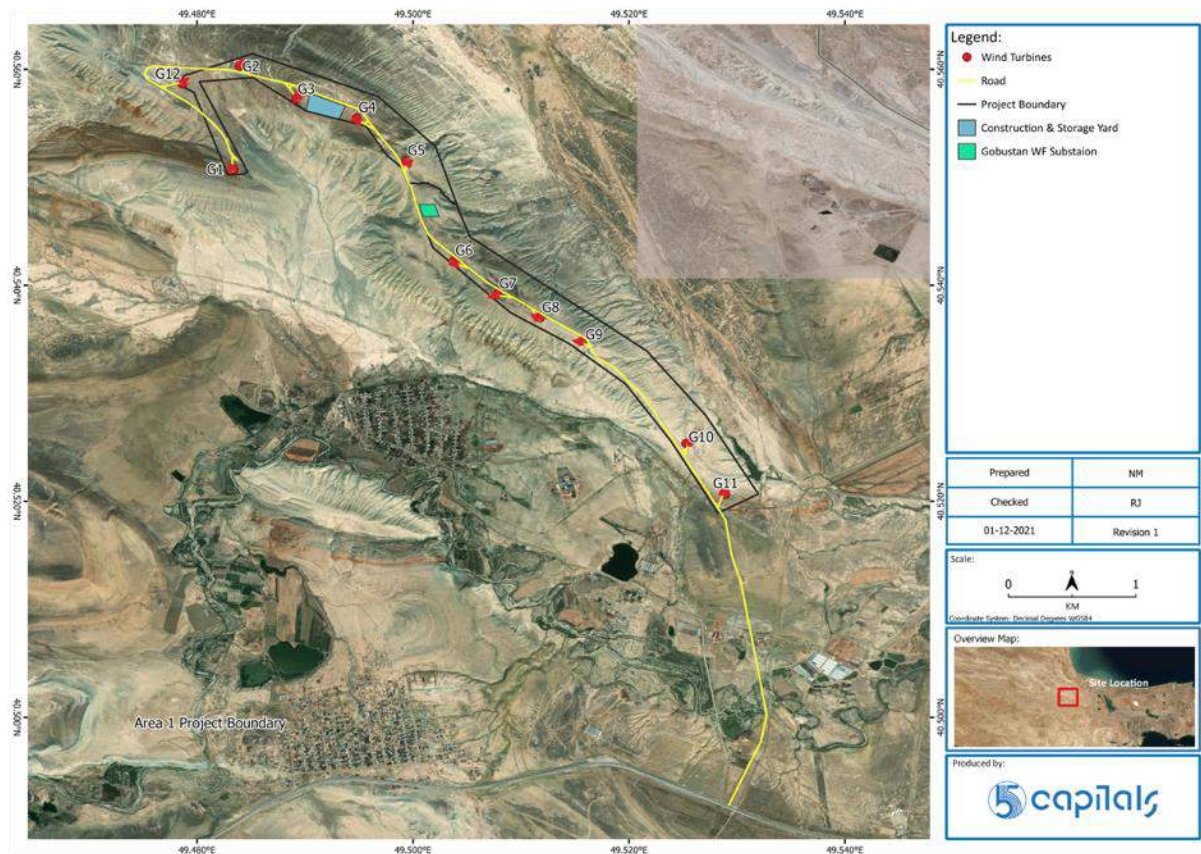
Figure 2-1 Project Location



The Project footprint will include the following:

- WTG platforms (this includes foundation and crane pad area);
- Substation and any storage facilities;
- Trenches for underground cables; and
- Access roads.

Figure 2-2 Project Layout



2.2 Project Description Summary

Note: The below description is a summary and includes applicable context only in relation to this LRP. Additional details about the Project design, technology, impacts and mitigation measures can be found in the Project specific ESIA, which has been disclosed on ACWA Power and EBRD websites on 20 May 2022.

The proposed Project will consist of 12 WTG arranged in a specific arrangement across the proposed site to ensure the most efficient capture of the prevailing wind.

The WTG is the Envision Energy EN-171/6.5 Wind Turbine. This turbine has a rated power of 6.5 MW, 171 m rotor diameter, and three (3) blades, horizontal axis, upwind direction, variable speed and pitch control. The Project will also include the following:

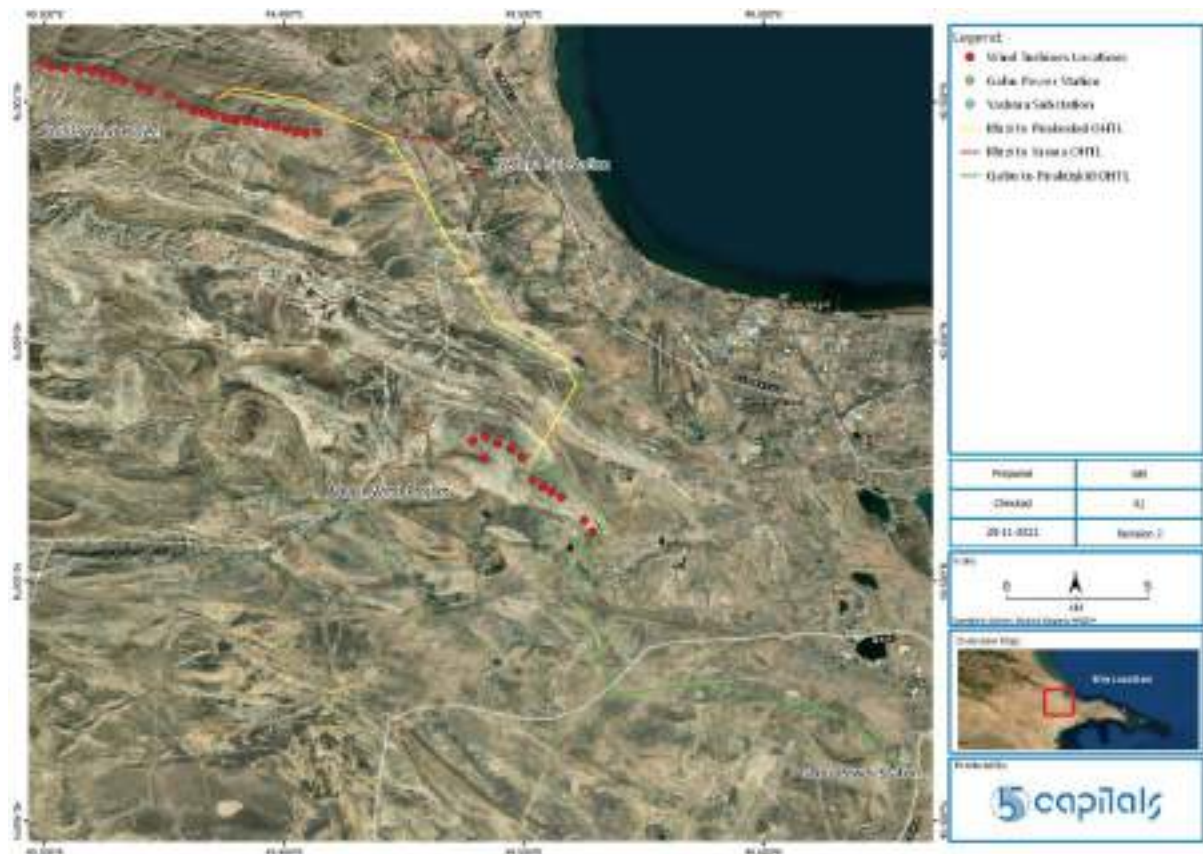
- Internal access roads;
- Access road connecting the Project to the existing road network; and
- Underground electrical connections between the Wind Farm and the substation.

2.2.1 Associated Facilities

Overhead transmission lines (OHTL) will connect both Wind Farms (Khizi 3 and Area 1 WFs) and to the national grid. The OHTL is split into three (3) lines as follows:

- 220 kv Khizi 3 - Yashma OHTL: This OHTL will connect the Khizi 3 WF substation (SS) to the existing Yashma SS and is approximately 20 km long (red line in Figure below) – assessed as part of Khizi 3 ESIA Report;
- 220 kv Khizi – Pereleshkul OHTL: The OHTL line that will connect Khizi 3 and Area 1 WFs SS and is approximately 30 km long (yellow line in Figure below) - assessed as part of Khizi 3 and Area 1 ESIA Report; and
- 220 kv Pereleshkul – Gobu OHTL: The OHTL line that will connect the Area 1 WF SS to the existing Gobu Power Station and is approximately 30 km long (Green line in Figure below)- assessed as part of Area 1 ESIA Report.

Figure 2-3 OHTL Location Map



The responsibility for developing, constructing, commissioning and operating the OHTL lies with the Project off-taker. Azerenergi Open Joint Stock Company (Azerenergi), and as such, the OHTL is considered an 'Associated Facility' to the Project; as it is not being directly funded under the loan agreement with lenders. Therefore, the scope of the LRP does not include the OHTL and is limited to Area 1 WF.

As the owner/developer of the OHTL associated facility, Azerenergi will comply with national requirements in order to ensure all E&S risks and impacts associated with the development of the OHTL are adequately assessed. Where impacts cannot be avoided, Azerenergi will implement applicable mitigation and management measures in order to minimise impacts.

Appendix D includes information on the OHTL in terms of land ownership, land use, social baseline data, preliminary assessment, national obligations and commitments for the OHTL. This also includes a summary of the public consultation undertaken for the OHTL on 30 June 2022.

2.3 Project Construction & Commissioning Requirements

The duration of the construction phase is 18 months. Construction and commissioning will be the contractual responsibility of the EPC Contractor. One (1) area within the Project boundary is being considered as a temporary construction area. This area will be required during the construction phase of the Project for the storage of materials by the Engineering Procurement and Construction (EPC contractor) as well as sub-contractors.

At this stage it is understood that approximately 80 personnel will be present at the Wind Farm during peak construction periods. This will comprise a combination of Project Company, EPC Contractor and Sub-Contractor staff. The exact location of the workers accommodation for either the EPC contractor or sub-contractor are not confirmed.

Workforce recruited from the local community will not require dedicated accommodation. However, for migrant and/ or foreign workers, accommodation areas will be established either in Sumgait (not far from the project area) or Baku since both cities will have appropriate facilities and infrastructure.

2.4 Project Operational Requirements

The duration of the PPA is 25 years from the Project Commercial Operation Date and operations and maintenance activities of the Wind Farm will be undertaken by The First National Operations and Maintenance Company Ltd. (NOMAC), a wholly owned subsidiary of ACWA Power.

At this stage, it is understood that a workforce of about 8 staff will be engaged to carry out operation and maintenance activities of the wind farm. The workers will be required to make arrangements for their accommodation.

It should be noted that during operation the sites will not be fenced or restricted and herders/livestock owners can access the areas.

2.5 Project Milestones

The Project milestones are as provided in the table below.

Table 2-1: Project Milestone

MILESTONE	DATE
Financial Closing (FC)	1st Quarter 2023
Start of site mobilisation	1-2 months after FC
Site preparation	2-4 months after FC
Earliest Connection Date	15 months after FC
Project Commercial Operation Date (PCOD)	18-20 months after FC

3 LEGAL FRAMEWORK AND COMPLIANCE OBLIGATIONS

3.1 National Regulations

The key legislation and regulations addressing land acquisition and resettlement in the Republic of Azerbaijan include the following: (ref; Asian Development Bank):

- The Constitution of the Republic of Azerbaijan (Adopted on 12 November 1995, revisions made on 18 March 2009);
- The Land Code (Adopted on 25 June 1999, last revisions made on 20 April 2012);
- The Civil Code (Adopted on 28 December 1999, revisions made on 20 April 2012 and amended on 09/07/2021);
- The Flat Code (Adopted on 15 November 2011, last revisions made on 20 April 2012);
- The Land Acquisition Law (April 2010);
- Law on valuation activity (25 June 1998, last revisions made on 20 April 2012);
- Law on "Land Lease" (11 December 1998, № 587-IQ);
- Decree of the President on additional activities regarding to implementation of the Law on "Acquisition of Lands for State Needs" (15 February 2011);
- Decree of the President on ensuring the execution of the law No. 506-3 QD dated 7 December 2007 on —Amendments and Additions to the Civil Code of the Azerbaijan RepublicII (26 December 2007);
- Resolution of the Cabinet of Ministers on approving of guidelines for preparation of Resettlement Plan and Resettlement Guideline No. 45 dated 24 February 2012;
- Resolution of the Cabinet of Ministers on approving the guidelines for selection of a person or entity to prepare Resettlement Plan or Resettlement Guideline No. 55 (21 April 2011);
- Resolution of the Cabinet of Ministers No. 110 (28 June 1999);
- Resolution of the Cabinet of Ministers No. 42 On Some Normative and Legal Acts Relating to the Land Code (15 March 2000);
- Law of Azerbaijan Republic on Municipality Area and Lands (07 December 1999, No: 771-IQ); and
- Law on Management of Municipality Lands (29 June 2001, No: 160-IIQ).

The applicable laws to this Project are summarised below sections.

3.1.1 The Constitution of the Republic of Azerbaijan

Article 13 of the Constitution states that there are three (3) types of property ownership in Azerbaijan; State, Municipality and Private ownership. The Constitution also gives the citizens the right to own, use and dispose of property. The Law ensures that no one is dispossessed of their property without their consent or decision by the court of law and that expropriation of private property for state needs will only be allowed after payment of fair compensation to the owner (Article 29). Article 19 of the Constitution regarding the right of property states that land ownership may be restricted by law for social and justice and purposes of efficient use of land.

3.1.2 Land Code

The Land Code of the Republic of Azerbaijan includes the land legislation and defines the status of participants in land relations such as State bodies, Municipalities, Citizens and Legal entities. Participants also includes foreigners and stateless persons, foreign legal entities, international associations and organizations, foreign states. The Land Code also states that there are three (3) types of land owners in the Republic and these are State, Municipal and Private types of land ownership. All types of property are equal and protected by the state.

The following applicable statements are provided in the Land Code:

- Sub-Sections 12.3 and 13.3 of the Land Code states that agricultural lands can be used for non-agricultural purposes only upon redesignation of those lands by the Cabinet of Ministers into another category in exceptional circumstances;
- Article 22, Clause 3: Landowners, users and lessees in whose territory the protection zone is established shall not be deprived of their rights on the land plot, except in cases when the regime established for the zone provides for the complete withdrawal of lands from economic use. Within the protection zone, landowners, users and lessees are obliged to follow the rules approved for these zones;
- Sub-Section 48.4 of the Land Code stipulates those lands can be provided for ownership, use or lease only in accordance with the designation of such lands;
- Articles 73, Clause 1: The right of ownership use or lease of a land plot or a part thereof shall be terminated in the following cases:
 - In case of voluntary renunciation of the land plot or expropriation of the land owner;
 - Upon expiration of the period of use or lease of the land plot;
 - In case of termination of the activity of legal entities;
 - If the land is not used for its intended purpose;
 - In case of termination of individual employment contracts of employees in connection with land plots temporarily used on the basis of labor relations;
 - In case of non-compliance with the terms of the use or lease agreement;

- In case of non-payment of land tax and rent for 1 year without good reason
 - If the land plot allocated for agricultural production has not been used for 2 consecutive years and the land plot allocated for non-agricultural needs has not been used for 1 year without a valid reason;
 - Deterioration and erosion of soil quality, chemical and radioactive contamination, swamping, re-salinization, violation of the rules of operation of land reclamation and irrigation systems, pollution of the environment during use;
 - When it is necessary to acquire lands for state needs;
 - In case of transfer of the right of ownership to the building and facility belonging to the owner of the land plot and located on that plot;
 - In case of death of land owner, user (lessee) and absence of heirs; and
 - In case of non-performance of the obligation secured by the mortgage during the mortgage of the land plot.
- Article 86, Clause 2: State lands provided for in this Code, agricultural lands of municipalities in general use as well as in the use and lease of legal entities and individuals may not be the object of purchase and sale;
 - Article 86, Clause 3: Lands in the Azerbaijan Republic may be sold to state property, municipal property as well as property of citizens and legal entities of the Azerbaijan Republic;
 - Article 86, Clause 5: Ownership, use and lease rights over land plots may be purchased and sold directly through land auctions or competitions by the decision (consent) of the owners or their proxies or bodies;
 - Articles 86, Clause 6: Purchase and sale of lands owned by the municipality shall be planned on the basis of the development plans of the territory, land management, general plan of settlements and shall be carried out by the municipalities in accordance with the legislation. Purchase and sale of municipal lands, as well as lease rights on them are carried out through land auctions and competitions;
 - Article 86, Clause 7: In case of direct sale of lands owned by citizens and legal entities, as well as the right of use and lease on them, the sale shall be carried out on the basis of purchase and sale agreements concluded between the parties and notarized; and
 - Article 86, Clause 8: Rules of purchase and sale of land shall be regulated by the relevant legislation of the Azerbaijan Republic.

3.1.3 Land Acquisition Law

The Land Acquisition Law is another land legislation in Azerbaijan and It regulates the rules of acquisition of lands for state needs in the Republic of Azerbaijan, calculation and payment of the amount of compensation in this regard, as well as other relations between the parties involved in land acquisition. The Land Acquisition Law states the following:

- Article 4, Clause 4.1: Any land required for state needs or land in shared ownership shall be compulsorily transferred to the state on the basis of an agreement with the owner (owners);
- Article 4, Clause 4.2: The state is obliged to make every effort to reach an agreement with the affected persons and to pay the market price or replacement price for the land and may not exercise the relevant powers provided for in this Law until the fulfilment of this obligation;
- Article 5, Clause 5.1: The following land may be acquired for state needs in accordance with the law regardless of the restrictions imposed on the lease and use of the land plot;
 - Privately owned lands; and
 - Municipal Land.
- Article 7, Clause 7.2: The person affected by the acquisition shall have the right to receive compensation in accordance with the procedure established by this Law;
- Article 7, Clause 7.3: the following persons shall be considered affected by the acquisition:
 - Persons who have state-registered property, use or lease rights to land, as well as legal use or lease rights that do not require state registration by law;
 - Persons who have legal but not state-registered ownership, use or lease rights to land, confirmed by written documents at the time of registration (the adoption or conclusion of a contract without complying with the requirements of the legislation cannot be a ground for declaring a person's land rights illegal);
 - The lessee as a sublease, the user as a lease to third parties, or persons who use the land for a short period of time on the basis of an agreement with the user, confirmed by oral or written evidence;
 - Persons living on land on the basis of long-term use recognized by law, which gave rise to the right to land; and
 - Persons who do not have legal rights to the land where they live.
- Article 7, Clause 7.4: Persons listed above with the exception of those who do not have legal rights to the land where they live shall be provided with compensation and other assistance related to the lost land in accordance with the provisions of this Law;
- Article 7, Clause 7.5. Persons who do not have legal rights to the land where they live except for real estate, shall be provided only with assistance related to their relocation and assistance aimed at compensating the damage caused to the personal property of those persons during relocation;
- Article 8, Clause 8.2.5. Ensure compensation is paid or resettlement has taken place in accordance with the Law before taking possession of the land of an affected person;
- Article 10, Clause 1: The receiving authority (i.e. the party acquiring land) shall collect all the information necessary to comply with the requirements of this Law during the preparation of the land acquisition proposal;

- Article 54, Clause 1: All persons affected by the acquisition shall be entitled to fair compensation in accordance with this Law in exchange for the acquisition of their land or other rights to land;
- Article 54, Clause 2: Compensation is paid to those affected by the acquisition through a project that necessitates the acquisition of land; and
- Article 56, Clause 1: The compensation to be paid to the plaintiffs should be based on:
 - The principle that the property, livelihood, income, standard of living of all persons affected by the loss and violation of their land and resettlement should be reimbursed within a reasonable time after their loss or resettlement. To be restored from the conditions in which they were before the transfer, so as not to get into unfavorable conditions;
 - Current inflation in assessing compensation payable; and
 - All costs and losses arising from such a move, if the person was forced to change their place of residence, business or place of work as a result of the acquisition.

3.2 Lender Requirements

At this stage, it is understood that the EBRD, ADB and OPEC Fund for International Development (OFID) are involved in discussions relating to provisions of finance. As a result, the Project will be required to adhere to the following lender requirements in regard to economic displacement:

3.2.1 EBRD

The European Bank for Reconstruction and Development (EBRD) has an internal Environmental and Social Policy (2019) and a set of specific Performance Requirement (PRs) covering key environmental and social components for consideration, assessment and management in their investments. The requirements specific to economic displacement include:

- PR 5-Land Acquisition, Restriction on Land Use and Involuntary Resettlement.
 - EBRD Guidance and Good Practice.

The objectives of PR 5 include:

- Avoid or when unavoidable, minimise, involuntary resettlement by exploring alternative project design.
- Avoid forced evictions.
- Mitigate adverse social and economic restrictions on affected persons and land by providing compensation for loss of assets at replacement cost and ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected.

- Restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displaced levels.
- Improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites.

Note: The proposed Project will only result into economic displacement and no physical displacement is expected as there are no residents living on the site.

3.2.2 ADB

ADB's involuntary resettlement safeguards aim to:

- Avoid involuntary resettlement wherever possible;
- To minimise resettlement by exploring project and design alternatives;
- To enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and
- To improve the standards of living of the displaced poor and other vulnerable groups.

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

Where involuntary resettlement is unavoidable, the ADB Safeguard requires that the project meet all applicable specific requirements on compensation, assistance, benefit sharing, assessment of social impacts, resettlement planning, information disclosure, consultation, grievance redress mechanism, monitoring and reporting.

According to ADB, a project's involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. The proposed ACWA Power Project falls under Category B because its involuntary settlement impacts are not deemed significant. ADB requires Category B projects to have a resettlement plan and assess social impacts. A resettlement framework may be required prior to the resettlement plan.

Note: Given that the proposed Project will only result in economic displacement and no physical displacement of people is expected, the report is titled a Livelihood Restoration Plan to accommodate all lenders requires for economic displacement.

3.2.3 OFID

OFID do not publicly disclose specific environmental & social policy, or other standard (or guideline) requirements.

3.2.4 Equator Principles

Equator Principles IV (2020) requires Projects to evaluate the specific risks of the project to determine the applicability of the IFC Performance Standards under Principle 3. Due to the economic displacement of the land users as a result of the Project development, IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement requirements are applicable to the Project.

3.3 ACWA Power Requirements

Note: ACWA Power internal policy is to comply with the IFC Performance Standards. As such, this LRP will also utilise the IFC PS Guidance Note 5: Land Acquisition and Involuntary Resettlement and the IFC's Handbook on Preparing a Resettlement Action Plan.

3.3.1 IFC

Due to the economic displacement of the land users as a result of the Project development, IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement requirements are applicable to the Project.

PS 5 recognizes that Project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of Project-related land acquisition and/or restrictions on land use. Where involuntary resettlement is unavoidable, it should be minimized and appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented.

IFC PSs require projects to undertake stakeholder engagement (either in the ESIA, or as part of the future ESMS) and therefore the project will require a level of engagement. In particular, IFC Performance Standard 1 on "Social and Environmental Assessment and Management Systems" states "Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts.

3.4 Gap Analysis between National and Lenders Requirements

Table 3-1: Gaps between Azerbaijan Legislation, EBRD Policies, ADB and IFC PS on Livelihood Restoration and Compensation

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
Avoid or minimise displacement	The client will avoid or at least minimise physical and/or economic displacement.	The Project will avoid involuntary resettlement whenever possible to minimise involuntary resettlement by exploring project design alternatives.	The client will avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs.	<p>Any land required for state needs can be transferred to the state upon reaching an agreement with the owner.</p> <p>Avoidance and minimisation of displacement is not required by national law.</p> <p>Note: For this project, the government of Azerbaijan revised the initial project boundary allocated for the project to avoid any impact on long-term lease holders.</p>	<p>The project site has been allocated for the Project development through a Presidential Order in 2020 and an Order from the Cabinet of Ministers and as such the lenders requirements have been implemented in order to mitigate the expected impacts relating to economic displacement on the PAPs.</p> <p>Mitigation & management measures for other E&S aspects are detailed in the Project specific ESIA.</p>
Planning process	The client must prepare a Livelihood Restoration Plan including a socio-economic baseline assessment within the defined Project area.	The client will prepare a resettlement plan if the proposed project has involuntary resettlement impacts including collection of census data of the affected persons.	Requires that a client prepares a LRP in case of Projects involving economic displacement including collection of appropriate socio-	There is no requirement for preparing a livelihood restoration plan. However, there is a requirement for socio-economic data collection	A detailed Livelihood Restoration Plan (LRP) has been developed for the Project and this will include a socio-economic survey for the PAPs (ref. Chapter

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
			economic baseline data of the PAPs.	during land acquisition process.	6 for the socio-economic survey).
Eligibility for compensation	<p>PR5 identifies 3 main categories of PAPs:</p> <ul style="list-style-type: none"> Those who have formal legal rights to the land (including customary & traditional rights recognised under national laws). Those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under the national laws. Those who have no recognisable legal right to claim the land that they occupy. 	<p>ADB identifies 3 categories of PAPs:</p> <ul style="list-style-type: none"> Persons with formal legal rights to land lost in its entirety or in part. Persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claim of such lands that are recognizable under national laws. <p>Persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognised or recognizable claims to such land.</p>	<p>PS 5 identifies 3 main categories of PAPs:</p> <ul style="list-style-type: none"> Those who have formal legal rights to the land or assets they occupy or use. Those who do not have formal legal rights to land or assets, but have a claim to land that is recognised or recognisable under national law. Those who have no recognizable legal right or claim to the land or assets that they occupy or use. 	<p>The Azerbaijan Land Acquisition Law recognises four (4) groups of persons eligible for compensation as a result of land loss and one (1) group entitled to only receive assistance.</p> <p>According to Article 7(7.4) of the Azerbaijan Land Acquisition Law, persons who have legal rights to the land where they live are eligible for compensation while those without legal rights will be provided with assistance.</p> <p>Article 7, Clause 7.3: the following persons shall be considered affected by the acquisition: - Persons who have state-registered</p>	<p>The eligibility for compensation and scope of the LRP includes all PAPs including those without any recognisable legal rights to the land. Ref. Chapter 8 for details on the eligibility and entitlements.</p>

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
				<p>property, use or lease rights to land, as well as legal use or lease rights that do not require state registration by law;</p> <ul style="list-style-type: none"> - Persons who have legal but not state-registered ownership, use or lease rights to land, confirmed by written documents at the time of registration (the adoption or conclusion of a contract without complying with the requirements of the legislation cannot be a ground for declaring a person's land rights illegal); - The lessee as a sublease, the user as a lease to third parties, or persons who use the land for a short period of time on the basis of an agreement with the user, confirmed by oral or written evidence; - Persons living on land on the basis of 	

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
				long-term use recognized by law, which gave rise to the right to land; and - Persons who do not have legal rights to the land where they live	
Establishment of a cut-off date	The client shall establish a cut-off date for eligibility either (i) as foreseen in applicable legislation; or (ii) using the end date of the census or of the inventory (whichever is the latest).	The client will establish a cut-off date for eligibility. Information regarding the cut-off date will be documented & disseminated throughout the project area.	The client will establish a cut-off date for eligibility information of which will be documented and disseminated throughout the project area.	The asset compensation methodology requires for the client to carry out an inventory for the affected assets. However, this does not include any specific requirement for the establishment of a cut-off date.	The PAPs were informed about the cut-off date in accordance to EBRD & ADB requirements.
Grievance mechanism	The client is required to establish a grievance mechanism consistent with PR5 and PR10 in order to receive and address concerns regarding the Project in a timely manner. The GM will include a recourse mechanism designed to resolve disputes and complaints in an impartial manner.	The client is required to establish a mechanism to receive and facilitate the resolution of affected persons' concerns and grievances about physical and economic displacement and other project impacts, paying particular attention to the impacts on vulnerable groups.	The client is required to establish a grievance mechanism in accordance with the requirements set out in PS1 in order to be able to address any specific project concerns about the compensation process. The GM will include a recourse mechanism designed to resolve disputes	Following land acquisition, the receiving authority is required to establish a land acquisition group that will accept, respond to and attempt to resolve any complaints made by PAPs. There is no requirement to establish a land	A grievance mechanism and a project information centre has been set up as part of the SEP and LRP for the Project in order to allow the PAPs to submit their grievances.

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
			and complaints in an impartial manner.	acquisition group for compensation purposes.	
Information disclosure	The client should summarise the information for public disclosure to ensure that the affected people understand the compensation procedures and know what to expect at the various stages of the project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fall).	<p>The Client will consult with the affected persons on resettlement and compensation options and provide them with project-related information during resettlement planning and implementation.</p> <p>All relevant information must be disclosed in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, other suitable communication methods will be used including pictorial messages and announcement in public places.</p>	Disclosure of relevant information and participation of Affected Communities and persons will continue during planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are consistent with objectives of PS5.	<p>Public meetings are required to be held to disclose information to land users & owners on the land acquisition process.</p> <p>However, no requirement for information disclosure exists in regard to livelihood restoration.</p>	PAPs will be provided with relevant information throughout the implementation of the LRP as per the EBRD PR5, ADB and IFC PS 5 requirements.
Stakeholder consultation	Following disclosure of all relevant information, the client is required to consult with affected persons and communities and facilitate their early informed participation in decision making process.	The client will conduct meaningful consultation with affected persons, their host communities, and civil society for every project and subproject identified as having involuntary resettlement impacts.	Consultations shall be conducted to allow informed participation of those affected by the project.	Public meetings are required to be held to disclose information to land users and owners on the land acquisition process.	To be reconciled through the consultations with the PAPs and other relevant stakeholders and agencies throughout the implementation of the LRP.

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
Vulnerable groups	PR 5 requires special attention to be paid to vulnerable groups and ensure that they are not disadvantaged in the compensation process and are fully aware of their entitlements and rights.	The client will identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. The client will ensure that the standards of living of the displaced poor and other vulnerable groups are improved and not merely restored.	PS 5 requires that special attention is provided to the needs of the poor and vulnerable to assist in restoring/improving their pre-project livelihoods.	There is no requirement for vulnerable groups in relation to livelihood restoration.	Vulnerable groups identified will be provided assistance in accordance with EBRD, ADB and IFC PS requirements.
Compensation	The client will offer PAPs compensation for loss of assets at full replacement cost and any other required transitional support.	Compensation and other entitlements should be paid before economic displacement.	When displacement cannot be avoided, the client will offer displaced communities and persons compensation for loss of assets at full replacement cost and other assistance/transitional support to help them improve or restore their standards of living.	All persons affected by acquisition are entitled to fair compensation in accordance with the Land Acquisition Law. Article 4 (4.2) of Azerbaijan Land Acquisition Law states that "The state is obliged to make every effort to reach an agreement with the affected persons and to pay the market price or replacement price for the land"	All PAPs will be compensated for the losses incurred at full replacement cost and transitional support will be provided (Ref. Chapter 8 of this LRP).

ELEMENT	EBRD PR5	ADB'S SAFEGUARD INVOLUNTARY RESETTLEMENT	IFC PS 5	AZERBAIJAN LEGISLATION	MEASURES TO BRIDGE THE GAP
Monitoring of LRP implementation	PR 5 requires consultations to continue during the implementation, monitoring, and evaluation of compensation payment and resettlement so as to achieve outcomes consistent with the objectives of the PR.	ADB requires monitoring & assessment of outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions & the results of resettlement monitoring.	The client will establish procedures to monitor and evaluate the implementation of a LRP and take corrective actions as necessary.	No provision for monitoring in provided in the Azerbaijan Land Code or Land Acquisition Law.	The client will establish procedures to monitor and evaluate the implementation of the LRP.

4 BACKGROUND AND CONTEXT

4.1 Land Ownership and Land Lease

The project area is municipality (Perekeshkul-Gobustan Municipality) and state (Absheron District Executive Power) owned. The land has been assigned to the Ministry of Energy for leasing by a Presidential Order No. 2366 of 2020 and Cabinet of Ministers Order No. 720 of 2020. The Presidential and cabinet of Ministers Orders instruct the government to lease the state/public lands to the 240.5 MW Wind Projects, which Area 1 WF Project is part of. For the state lands, Land Lease Agreement (LLS) signed on 31 March 2022 between the Ministry of the Republic of Azerbaijan and ACWA for both Area 1 and Khizi 3 WFs.

According to the Land Lease Agreements (LLA) signed with the Perekeshkul Municipality and the Ministry of Energy of the Republic of Azerbaijan on 19th March 2022 and 31st March 2022, the total area of land leased by the project is 14.18 ha and this covers the WTG footprints, substation and laydown areas. The lease agreements are for 30 years.

4.2 Land Acquisition Process

Consultations were undertaken in September 2020 with the Government of Azerbaijan in order to establish the land acquisition process undertaken by the Government. The land ownership and allocation process undertaken by the Government of Azerbaijan for the Project is summarised below:

- Land allocated for the Project are State and Municipality owned;
- The Ministry of Energy first clarified the encumbrance of project boundary required for the Project with relevant government entities (municipalities, etc.) as follows;
 - Project boundary allocated for the project was revised to avoid impact on any long-term lease holders.
 - Short-term lease agreements within project boundary were not renewed;
 - Ministry informed municipalities and Local Executive Power authorities not to lease these areas until Land Lease Agreement (LLA) is signed with ACWA Power; and
 - After finalising project boundary and LLA, the areas outside project boundary will be available for leasing by any third party.
 - The land use status for the project boundary has been changed from Agricultural to Industrial

Based on consultations undertaken with Government of Azerbaijan, Municipality, local community and affected PAPs, it has been confirmed that the land acquisition process did not involve any physical resettlement, land expropriation or forced evictions for this project.

4.3 Land Use

The Perekeshkul village is located approximately 987m west from the project site. Based on the consultations and surveys undertaken, two (2) types of land users have been identified at the Area 1 Wind Farm Project site. These include:

- **Households** from Perekeshkul village and who use the project and surrounding areas for seasonal grazing. This also includes the **herders** who are hired by the households from the village to graze their livestock- informal land users; and
- **Herb collectors** – informal land users.

The table below provides a summary of the land users within the Project site.

Table 4-1 Summary of Land Users within the Project Site

TYPE OF LAND USERS	NATURE OF LAND USE	LEGAL VALIDITY OF LEASE
Livestock Households and Herders	Grazing - The households do not take their livestock for grazing themselves, instead, they have an arrangement with local shepherds.	Informal grazing (no land lease agreement)
Herb collectors (also members of the households that graze at the site)	Herb collection	Informal (no land lease agreement)

5 STAKEHOLDER CONSULTATIONS

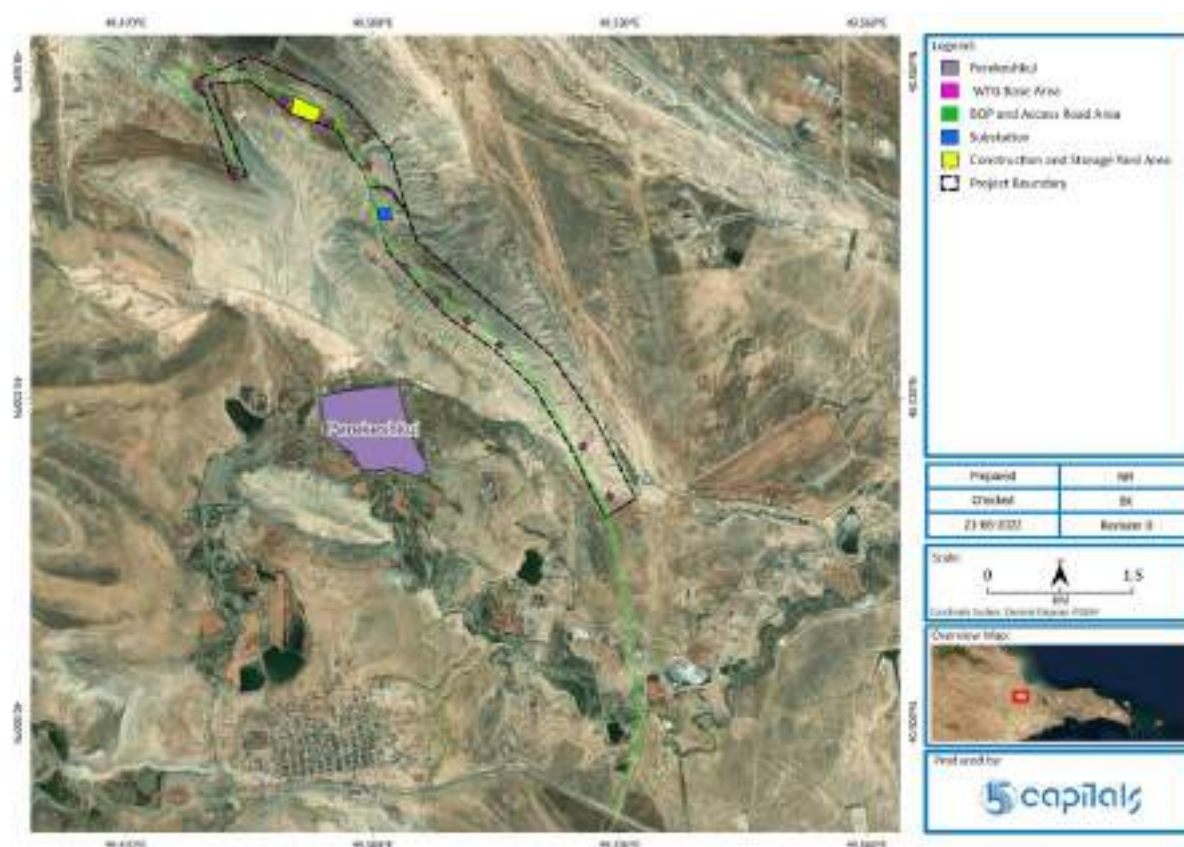
5.1 General Overview

Stakeholder identification and consultations were initially conducted during the scoping and ESIA Stage. The stakeholder identification process identified impact based, interest based and decision-making stakeholders as detailed in the Project ESIA and Stakeholder Engagement Plan (SEP) developed for the project. Public consultations and meetings were also held with local communities between June 2020 and July 2022 as below

- Perekeshkul Village:
 - Due to COVID-19 restrictions, local consultant distributed letters in the village on 8th June 2020 at the village. Letter introducing the Project including contact details of the local consultant to receive any feedback and questions from the local community was distributed in Village (houses and supermarkets) and the announcement office of the Municipality as part of the Consultation during the Scoping phase.
 - Project information was provided during the socio-economic herder's surveys from 11th to 24th August 2021;
 - Focus Group Discussions (FGD) were undertaken with refugees, Internally Displaced people (IDPS), widows and disabled persons groups from the Village on 12th October 2021.
 - Public disclosure meetings for the ESIA and Draft LRP:
 - Two (2) public disclosure meetings were undertaken on 9th and 11th January 2022 at Perekeshkul village. The objective of the meetings were to present the outcomes of the ESIA process and to present the key impacts, mitigation and management measures, including key elements of the SEP such as the Public Information Centre (PIC) and the grievance mechanism and how it can be accessed. The meetings were attended by 89 participants; and
 - An additional public disclosure meeting was carried out on 2nd of July 2022 at Perekeshkul village to disclose the draft LRP and the ESIA updates undertaken since it was published on EBRD and ACWA Power websites on 20th May 2022. Community leaflets were also distributed in the meetings and the community. Copy of the leaflet is provided in Appendix C of this Report. Questions raised during meeting include:
 - How were the PAPs identified for the Project? Few concerns were raised by two (2) participants on being excluded and not identified as PAPs;
 - Who is considered vulnerable and how is it determined?
 - Compensations PAPs are entitled to.
 - In response to the above, the following has been included in the Final LRP:
 - Section 5.4 lists the approach and process followed in determining the PAPs;

- Section 6.2.16 includes the vulnerability analysis undertaken for the project;
 - Sections 8.3 and 8.4 include the valuation methodology and verification used to determine the project compensations
- Consultations with the Municipality on Land Use:
 - An initial consultation meeting was carried out in 18th February 2021 with the Municipality which revealed the project area is used by households from Perekeskul village for grazing livestock. The consultations also confirmed that the grazing is not carried out under any formal agreement but allowed by the Municipality. The location of the Perekeskul village in relation to the Project site is shown in the Figure below. A total of 47 households from the village were identified by the Municipality to own livestock and possibly use the Project site for grazing livestock
- Consultations with Local representative of The Executive Power of Absheron region:
 - A consultation letter was sent on 29th June 2021 to receive any feedback or comments in regard to the Project land use. Response received on 26th August confirmed that the project site is not under any lease agreement. In addition, the Executive Power of Absheron Region indicated that the State agency does not have any data regarding herb collection, hunting, or herding activities within the project area.
- Consultation with households, surrounding farms and nomadic herders using project area for seasonal grazing:
 - Face to face meetings and interviews were held in April 2021 with the surrounding farms.
 - Herder's survey undertaken from 30th May to 8th July and in November 2021 to collect data on any grazing activities at project area carried out by members of community from village, surrounding farms and nomadic herders. The key outcome of the survey included the following:
 - The survey and further consultations revealed that the nomadic herders do not use the Project site for livestock grazing neither do they pass through the project site when moving to and from the highlands;
 - Based on the herders survey and consultations undertaken it was determined that none of the nearby farmers graze at the project area;
 - The survey covered 31 households out of the 47. The survey revealed that the households hire two (2) herders to graze their livestock without an official agreement; and
 - The WF project area (WTG, roads, substations sites) is not leased or used under any formal agreement with the municipality or the government. The land users are the households from Perekeskul village who graze livestock at the project site without any formal agreement. This is a normal practice as community members from different villages are usually allowed to graze their livestock freely on municipal land and no permits/license/agreement is required.

Figure 5-1 Location of Perekeshkul Village from the Project Site



5.2 Consultations as Part of the LRP

As demonstrated above, consultations were conducted at various stages of the ESIA process for the Project site. In addition to public consultation as part of the overall ESIA process, additional consultations were undertaken as part of the LRP socio-economic survey. Consultations with Project Affected Persons (PAPs) will be on-going during the LRP implementation process.

5.2.1 Identification of Stakeholders and Methods of Consultations

The key stakeholders identified for the Project are listed in the Table below.

Table 5-1 Stakeholder Engaged During the LRP

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST-BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS
Land Users	Livestock owners whose livestock graze at project area from Perekeshkul village	A: Direct impact due to loss of grazing land (economic)	Issues regarding the land use, issues regarding loss of grazing land and economic displacement.

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST-BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS
	Herb Collectors	displacement) and land use restriction.	Bi-Lateral meetings and Phone Calls
Workers/Herders	Permanent and Temporary workers employed by households from village to graze their livestock	A: Herding activities will potentially be disrupted during construction phase of the project	Issues regarding disruption of herding activities, any impacts relating to their income Bi-Lateral meetings and Phone Calls
Local Governmental Authorities	Perekeshkul Municipality	D: The Project is located within the jurisdiction of the municipality	Issues regarding land use, availability of grazing land and provision of alternative grazing area, etc. Formal Meetings / Letter Correspondence / Phone Calls
Government Body	Local representative of the Executive power of Absheron region	D: Part of the Regulatory body overseeing land ownership and land use	Requesting information and discussion of the issues regarding the land use and ownership. Formal Meetings / Letter Correspondence / Phone Calls
Financial institutions	EBRD and other potential Lenders (e.g., ADB)	D: Providing finance for the Project and interest in ensuring that the livelihood restoration process is conducted in accordance with their requirements	On-going dialogue throughout the process to ensure EBRD Performance Requirements and ADB Safeguard requirements are met. Official Correspondence, Calls, emails

5.3 Summary of Consultations as part of LRP

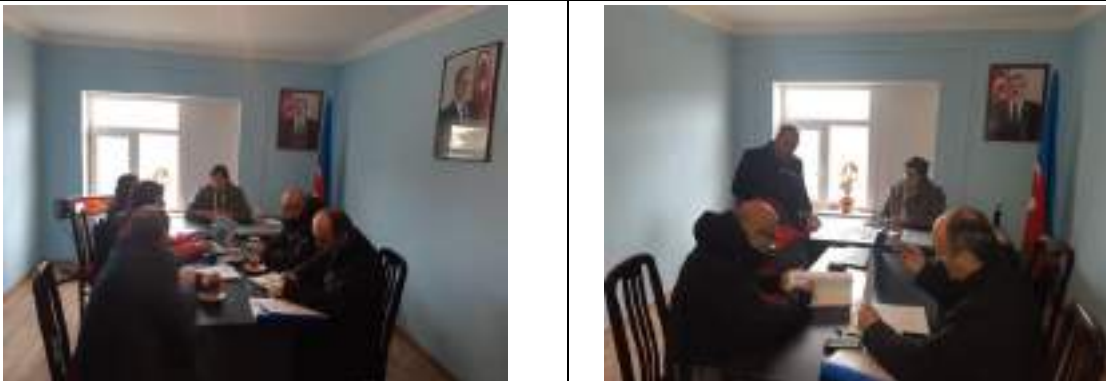
5.3.1 Consultations with Government Bodies

During the preparation of the LRP, a meeting was held with the Perekeshkul Municipality on 14th March 2022 to discuss the following:

- Availability of alternative land, terms of use, availability of water sources;
- Access to alternative land by local people; and

- Identify vulnerable groups with particular focus to the refugees and IDPs in the Project area and its surrounding.

A summary of the meeting is provided below.

DATE OF CONSULTATION	14 th March 2022
TIME	10:10 – 11:00
STAKEHOLDER GROUP	Local Government Authorities – Pereleshkul Village
VENUE	Municipality Office
LANGUAGE	Azerbaijani and Russian
PARTICIPANTS	Head of Pereleshkul Village, representatives from Pereleshkul Municipality, and employee of PIC
OUTCOME OF DISCUSSION	
<ul style="list-style-type: none"> • The Municipality has a total of 11,630 ha which are intended for public use and local villagers are free to use them without permission or special licenses. • The Municipality stated that there are no natural sources of water both at the Project site and surrounding areas. The widespread method for providing water for livestock is digging a pit to collect rain water. The same method can be applied on proposed alternative and plot. • Proposed lands are suitable for grazing livestock. • The IDP households in the village moved from different districts in Azerbaijan to live in the village. They were expelled mainly as a result of the Armenian occupation of Nagorno-Karabakh and surrounding areas in 1993. They have been living in this village for almost 29 years. Currently, all IDPs are provided with accommodation, and they are treated the same as other villagers. • As for refugees, households in Pereleshkul village indicated with a status of “refugee” are the Azerbaijanians forcibly expelled from Armenia due to Azerbaijani-Armenian conflict in 1988 and their successors. Nowadays, these households as well as all their members have no official “refugee” status since government of Azerbaijan granted a citizenship of Republic of Azerbaijan, and refugee status since has been revoked. • There are no national minorities in the villages. 	
PHOTOS ¹	
	

¹ All permissions were obtained before photos were taken.

5.3.2 Consultations with Herders

Face to face and phone consultation meetings were carried out with the herders in March 2022 to collect information land use and activities undertaken at the project area. A summary of the consultations is provided below:

- There are two (2) herders who graze livestock on behalf of the households in village;
- One of the herders (Herder 1) uses the project area since 2002;
- The herders take turns in grazing the livestock for 18 households from the village;
- The herders confirmed the use of the project area without any lease agreement and do not pay any fees for the municipality;
- Hiring of herders is not carried out under any official agreement/ contract. The household livestock owners hire the herders on annual basis and pay a total of 10 AZN / cattle/month (including winter times).

5.4 Project Affected Persons (PAPs)

Based on the consultation undertaken as part of the LRP the following PAPs were identified:

- Livestock owners (households from Perekeshkul village);
- Herb collectors (households from Perekeshkul village); and
- Herders (hired by the households from the village to graze their livestock).

A systematic approach was used to identify and confirm the PAPs. This included the following:

- An initial list of the land users were provided by the Municipality. This list included all households within the village that own livestock. This initial list was used for the Herders Survey and consultations undertaken from April 2021 to March 2022;
- Herders survey undertaken identified 31 households who use project area for grazing and some for herb collection;
- Further consultations were undertaken with the Municipality and PIC representative in March 2022 to confirm land users within the Area 1 WF project area;
- The list was further reviewed based on the additional consultation undertaken with one of the herders who is hired by the households to graze their livestock at project area. The herder identified the households whose livestock graze at the project area;
- Door to door visits were carried out by the local consultant in April and May 2022 to confirm the list provided by the herder and also to identify any new land users. Through these visits nine (9) additional land users were identified and added to the list of PAPs;
- Households who were identified as PAPs during the initial consultations in February and March 2021 however stopped using the site were removed from the list. This was determined through the door to door and surveys undertaken;

- Based on the outcome of the above, a total number of 44 PAPs were identified for the Area 1 WF project. The socioeconomic survey surveyed 40 of the PAPs. Three (3) PAPs refused to participate in the consultations and the socioeconomic survey and one (1) PAP was not available. Contact details of the local consultant team was provided to the neighbours and municipality to be given to the PAP once he returns to the village.

Based on the socio-economic survey outcome, a total of 40 Project Affected Households (PAHs) have been identified to be affected by the project (two (2) herders, 36 livestock owners and two (2) herb collectors). Additional information on the socio-economic profile of the PAPs and the magnitude of impact on the PAHs are described in Chapter 6 and Chapter 7 of this LRP. A summary of consultations undertaken as part of the LRP are provided below.

5.5 Public Information Centre (PIC)

A PIC was established by ACWA Power on 15th June 2021 at Perekeshkul Village to provide information on the Project to the members of the community, receive grievances and facilitate local recruitment for the Project. The main functions of the PIC can be summarised as follows:

- Inform local community of the project status and any new developments;
- Disseminate project related announcements by placing posters within the community;
- Receive and process public grievances;
 - Register grievances and send it to project management
 - Track the grievances until it is closed
 - Keep the log of grievances
- Facilitate the local recruitment for the project;
 - Place Job Announcements;
 - Organise job interviews by engaging project company/contractors' representatives
 - Document and keep record of interview results;
- Organise public meetings by engaging local authorities and project management;
- Generate project proposals from communities for financing by the Project Developer; and
- Document and keep the records of all communication with community.

Plate 5-1 Public Information Centre at Perekeshkul Village



5.6 LRP Disclosure Meetings

Once the LRP has been finalised, disclosure meetings/process will commence and this will include disclosure of compensation packages. The meetings will include presentation of the Project and distribution of brochures which summarizes key project impacts, where to find the project materials and details of the grievance mechanism.

Consultation with vulnerable groups on LR activities will be undertaken using similar methods as outlined in Section 5.2.

In order to accommodate for accessibility issues for elderly or disabled PAPs, the disclosure will be held at the Project Information Centre (PIC) located within the Perekeshkul village and easily accessible. Door to door consultations or telephone consultations will be undertaken for PAPs that are unable to attend meetings.

5.7 Grievance Redress Mechanism

EBRD , ADB and the IFC require the client to establish a Project specific grievance redress mechanism with suitable grievance redress procedure to receive and facilitate resolutions of affected people's concerns, complaints and grievances. As a result, a Project level grievance mechanism has been established to allow the PAPs to submit their grievances arising from the livelihood restoration and any other issues in relation to the Project impacts. The established grievance mechanism allows for the following:

- PAPs to submit their complaints/concerns in written or verbal form.
- ACWA Power as well as the PIC representative and in coordination with the local consultant (Juru Energy - within their authority be responsible for resolving submitted grievances) will be responsible for resolving submitted grievances.

The following details have been provided to the PAPs in order to submit their grievances or comments regarding the on-going valuation and compensation process.

Table 5-2 Grievance Mechanism Contact Details

COMPANY	CONTACT DETAILS
Project Company	ACVA POWER AZERBAIJAN RENEWABLE ENERGY
Grievance Manager/In-Charge	Javid Alifli Phone: M + 994 50 241 80 30 Email: JAlifli@acwapower.com
PIC	<p>Aydan Sharifova Phone: +99470 822 11 43 Email: aydan2697aydan@gmail.com Address: Pirakashkul village of Absheron district, Mamedamin Rasulzade Street</p> <p>Grievance Box provided at the entrance of the PIC.</p> 

NOTE: ACWA Power is responsible for resolving grievances in coordination with the local consultant (Juru Energy) until a Community Liaison Officer (CLO) is engaged by the Project Company. Once the CLO is engaged, the grievance mechanism will be transferred to the Project Company.

The Project specific GRM as provided in the Project specific SEP uses an understandable and transparent process that is culturally appropriate and readily accessible at no cost; so, all affected parties will have the opportunity to raise a complaint. Under the Project specific GRM, the PAPs are allowed to seek redress/resolution mechanisms outside of the established Project GRM such as the courts.

The process flow and timeline below is being followed as part of the GRM. Where complex grievances, or other factors are extending the investigation time, the Grievant is informed of this delay and advised of an updated expected timeline for response.

Table 5-3 Grievance Process and Timeline

STAGE	TIMELINE
Grievance Received/Submitted	-
Grievance logged and acknowledged	Within 1 week of grievance being submitted
Grievance investigated	Within 2 to 3 weeks of grievance being submitted*

STAGE	TIMELINE
Proposed resolution conveyed to grievant	Within 30 days of grievance being submitted
IF APPLICABLE FOLLOWING DISSATISFACTION OF RESOLUTION BY GRIEVANT	
Actions to re-assess grievance/propose new solution/inform Grievant of final decision	Within 2 weeks of notification of dissatisfaction by Grievant
In the event that a grievance cannot be resolved between the two parties a mediator will be involved i.e. local leaders who understand the culture and practices within the Project site.	Within 2 weeks of notification of dissatisfaction by the Grievant.
* Where complex grievances, or other factors are extending the investigation time, the Grievant will be informed of this delay and advised of an updated expected timeline for response.	

PUBLICISING THE GRIEVANCE MECHANISM

All the PAPs identified in this LRP has been fully informed of their rights to the GRM and of the procedures for submitting a grievance through the PIC, addressing it whether verbally or in writing in accordance with the Project specific SEP.

Information about the availability and accessibility of the GRM has been communicated to the PAPs during on-going consultations and surveys.

5.7.1 Grievances Received

Six (6) grievances were received by the PIC as of 28th June 2022. All received grievances are related to job requests.

Grievances received will be logged or registered using the grievance register template provided in Appendix B of the SEP.

6 SOCIO-ECONOMIC PROFILE OF THE PROJECT AFFECTED PERSONS

This chapter presents the findings on the main socio-economic characteristics of the PAPs. The chapter is based on information from the data collected through the socio-economic surveys undertaken in the Project area in order to understand the existing socio-economic situation and vulnerability of the PAPs.

Note: Socio-economic characteristics of the communities living near the Project site are provided in the Project specific ESIA.

6.1 Site Survey and Disclosure of Cut-Off Date

Site visits were carried out at the project area between 14th and 4th April 2022 by the local consultant (JE) to check for the presence of any structures, property or assets that may have been constructed by the herders or other land users after the preparation of the Draft LRP. This also included checking for non-moveable objects such as trees, crops, water wells, etc. The outcome of the site visit confirmed that none of these structures or assets were found within the project site. During this period, face-to-face consultation was also undertaken with Perekeshkul Municipality as well as some household members of Perekeshkul village that use the site and herder hired to graze livestock at the project site.

The last day of the socio-economic survey represented the cut-off date which was undertaken from 14th March to 4th 2022. The cut-off date includes the presence of any asset at the project site. The table below presents the cut-off dates established for the targeted PAPs which was communicated to PAPs during the socio-economic survey.

Table 6-1 Cut off Dates

TARGETED PAPs	CUT-OFF DATE ISSUED	TARGETED ASSETS	COMMENTS
Livestock owner	14 th March to 4 th April 2022	No assets on the project site	Some of the livestock owners couldn't be reached after multiple efforts and did not participate in the socioeconomic survey.
Herb collector	15 th March and 25 th March 2022	No assets on the project site	-
Herders	14 th March 2022 and 29 th March 2022	No assets on the project site	-

6.2 Socio-economic Survey

A socio-economic survey was undertaken from 14th March to 4th April 2022 and included 40 participants. The survey covered the following:

- Two (2) herders: Employed by the household herders to undertake grazing on their behalf;
- Representative of 36 household members (livestock grazes within project area);
- Two (2) herb collectors from village;

The surveys were undertaken by face-to-face meetings while some were carried out by phone. Samples of the questionnaire used during survey with the households and herders are presented in Appendix B.

6.2.1 Affected Households

The table below provides an overview of the affected households due to the development of the Area 1 WF Project.

Table 6-2 Affected Households

PAPs		NUMBER OF HOUSEHOLDS TO EXPERIENCE PERMANENT IMPACT	NUMBER OF HOUSEHOLDS TO EXPERIENCE TEMPORARY IMPACT	TOTAL
Livestock Owners	Livestock Owners Only	0	22	22
	Livestock owners & Herb Collectors	0	14	14
Herb collectors only ²		0	2	2
Herders		0	2	2
Total				40

All the surveyed respondents will be partially impacted by loss of grazing and herb collection activities during construction phase. Based on the analyses, there are a total of 223 members in all affected households. The breakdowns of the member of the affected householders are as below;

- Two (2) hired herder's households: Nine (9) members;
- 36 livestock owners households: 203 members; and
- Two (2) herb collectors households: 11 members.

² It should be noted that the herb collectors here refer to those that do not participate in either livestock grazing or herding activities at the project site. They are only involved in herb collection

Among the surveyed 40 participants, 36 are heads of households while the remaining three (3) respondents are family members.

6.2.2 Gender, Ethnicity and Religion

According to the socio-economic survey, all the 40 households are male headed households (HHs) and all households are of Azerbaijani ethnicity.

None of surveyed households are refugees or internally displaced people. No ethnic minority groups were identified among surveyed PAPs households.

RELIGION

The question of religion was not included in the socio-economic survey due to its sensitivity in the Project area.

6.2.3 Age and Marital Status

The age structure and marital status are provided in the Tables below. Majority of the surveyed HH were aged between 50 to 69 years. According to the survey, all participants are married with the exception of one (1) HH who recorded to be divorced.

Table 6-3 Age Structure of the HHs

PAPs	20-29	30-39	40-49	50-59	60-69
Livestock Owners	0	5	10	11	10
Herb collectors only	0	0	0	2	0
Hired Herders	0	0	0	0	2

6.2.4 Education

The table below shows a high literacy level of the PAPs with 78 % of livestock owners have high school level education and 12 % with university level education. 50 % of the herb collector's household have high school education and the other 50 % have special education (i.e. vocational). All herder's household have high school education. None of the PAPs were recorded as being illiterate.

Table 6-4 Education Level of Surveyed HHs

EDUCATION STATUS	LIVESTOCK OWNERS' HHs (36)		HERB COLLECTOR HHs (2)		HERDERS HHs (2)	
	NUMBER	%	NUMBER	%	NUMBER	%
Illiterate	-	-	-	-	-	-
Primary School	-	-	-	-	-	-
High School	28	78	1	50	2	100
Special school Education/ Technical/College Education	3	8	1	50	-	-
University	5	14	-	-	-	-
Total	36	100	2	100	2	100

6.2.5 Health

The socio-economic survey recorded four (4) livestock owners and one (1) herb collector who suffer from chronic illnesses. Six (6) households support siblings and other family members who suffer from chronic illness and disability. Three (3) of the above-mentioned households indicated that they receive disability allowance from the government. The reported illnesses include:

- Cardiovascular disease;
- Innate disability; and
- Diabetic; and poor vision.

6.2.6 Employment and Income Sources

Employment and income data were collected for livestock owners, herb collectors and herders' households including their family members. Approximately 42 % of the livestock owners rely on livestock activities as part of their source of income. Approximately 14 % rely on livestock activities as their only source of income while approximately 22 % indicated it is their main source of income. The remaining 22 % of livestock owners reported that they breed livestock solely for domestic consumption.

Of the thirty-six (36) livestock owners, fourteen (14) are also involved in herb collection at the project site. The collection and sale of herbs contribute to the income source of seven (7) out of the fourteen (14) livestock owners while the remaining seven (7) collects herbs for household consumption.

The two (2) households that are engaged in herb collection only reported that herbs are collected for household consumption and it does not contribute to their income source.

One of the two (2) herders reported that herding is a main source of the income, while the second reported that herding is part of his income source.

Table 6-5 Employment Status of PAPs and Their Family Members

TYPE OF EMPLOYMENT	LIVESTOCK OWNERS' HHs (36)		HERB COLLECTORS' HHs (2)		HERDERS HHs (2)	
	LIVESTOCK OWNER	FAMILY MEMBERS	HERB COLLECTOR	FAMILY MEMBERS	HERDER	FAMILY MEMBERS
Working as Herders	-	-	-	-	2	-
Livestock breeding	19	4	-	-	-	-
Self-employed	2	1	-	-	-	-
Civil servant	7	7	-	-	-	-
Pensioner	-	6	-	-	-	-
Private sector	6	6	-	-	-	1
Seasonal worker	-	6	-	2	-	2
Housewife	-	40		2	-	2
Unemployed	2	11	2	2	-	-
Total	36	81	2	6	2	5

Note: The terms housewife refers to spouses and other female members of the household. As shown in the table above, majority of the spouses and mothers of HHs are housewives.

The average monthly income of the PAPs household is provided in the table below. In summary, the average monthly income from the sale of livestock is 110 AZN (65 USD³) and the average salary of livestock owners is 285 AZN (167 USD).

The approximated amount for herders' salary for employment is about 270 AZN (159 USD) and the average monthly income from the sale of livestock by herders is 21 AZN (12 USD) and the average monthly income for herding is about 190 AZN (112 USD).

³ Exchange Rate: 1 USD is 1.7 AZN

Table 6-6 Source of Income

SOURCE	LIVESTOCK OWNERS' HHs (36)		HERB COLLECTOR HHs (2)		HERDERS HHs (2)	
	MONTHLY INCOME IN AZN	USD	MONTHLY INCOME IN AZN	USD	MONTHLY INCOME IN AZN	USD
Salary for employment	285	167	-	-	270	159
Selling herbs	-	-	-	-	-	-
Selling livestock	110	65	-	-	21	12
Pensions	69	41	-	-	-	-
Disability pensions	26 ⁴	15	-	-	-	-
Support received as IDP	6 ⁵	3	-	-	-	-
Herding	-	-	-	-	190	112
Other (seasonal worker, taxi driver etc.)	54	31	100	59	-	-

6.2.7 Expenditure

According to majority of the respondents, the main source of expenditure is food, livestock activities and transportation expenses and these account for 32 %, 27 % and 13 % of total expenditure respectively. The average household's expenditure in 2021 is provided in the table below.

Table 6-7 Average Household Expenditure

EXPENSES	LIVESTOCK OWNERS' HHs (36)		HERB COLLECTORS' HHs (2)		HERDERS HHs (2)	
	MONTHLY EXPENSES IN AZN	USD	MONTHLY/ EXPENSES IN AZN	USD	MONTHLY EXPENSES IN AZN	USD
Utilities	93	55	70	41	100	58
Food	388	228	180	105	200	117
Education	29	17	N/A	N/A	N/A	N/A
Medical	42	25	N/A	N/A	85	50
Special medical treatment for disabilities	43 ⁶	25	N/A	N/A	N/A	N/A

⁴ Only three households receive disability pension

⁵ Only one household is considered an IDP household

⁶ Special treatment expenses are applicable for seven (7) households

EXPENSES	LIVESTOCK OWNERS' HHs (36)		HERB COLLECTORS' HHs (2)		HERDERS HHs (2)	
	MONTHLY EXPENSES IN AZN	USD	MONTHLY/ EXPENSES IN AZN	USD	MONTHLY EXPENSES IN AZN	USD
Loan repayment	113 ⁷	66	N/A	N/A	180	105
Livestock	348	204	N/A	N/A	120	70
Transport	165	97	N/A	N/A	55	32
Other	N/A	49	N/A	N/A	150	88

6.2.8 Accommodation and Living Condition

The socio-economic survey shows that none of surveyed households have accommodation or any other building structures at the Project site. All surveyed households own private houses in Perekeshkul village where they reside all year round with their family members. Three (3) of these houses are built with wood and thirty-seven (37) are built with stone.

6.2.9 Household Amenities

Household items the livestock owners, herb collectors, and herders own are provided in the table below.

Table 6-8 Household Items in PAPs HHs

EQUIPMENT	LIVESTOCK OWNERS' HHs (36)		HERB COLLECTORS' HHs (2)		HERDERS HHs (2)	
	✓	×	✓	×	✓	×
Car	21	15	2	0	0	2
Motorcycle	0	36	0	2	0	2
TV	36	0	2	0	2	0
Satellite dish	34	2	2	0	1	1
Washing machine	32	4	2	0	2	0
Refrigerator	36	0	2	0	2	0
Air conditioner	23	13	2	0	0	2
Greenhouse	0	36	0	2	0	2
Personal computer	6	30	0	2	0	2
Mobile Phone	36	0	2	0	2	0

6.2.10 Access to Utilities and Services

ACCESS TO UTILITIES

⁷ Loan repayment is applicable for fifteen (15) households

All 40 surveyed households have access to gas, electricity and quality drinking water supply. However, 50 % of the respondents reported that they experience drinking water shortage sometimes during the summer.

All surveyed households stated that they do not have stable wastewater management (centralized/or decentralized system) in the village. Sewage is discharged into artificial wells or ditches. This is the case for majority of villages in the country. With regards to solid waste, all households burn waste in areas away from the homes.

All surveyed households reported that they have stable heating system, and all of them use gas for heating house and cooking.

ACCESS TO SERVICES

All respondents reported that they visit the closest medical point located at the Perekeskul village centre for first aid or vaccinations. In order to receive special treatment or visit specialised doctors, they have to travel to hospitals at the Mushfigabad settlement (15 km), district centre of Khirdalan town (30 km) or Baku city (35 km).

Table 6-9 Frequency of Visits to Hospital/Medical Centre

FREQUENCY	LIVESTOCK OWNERS' HHs (36)	HERB COLLECTOR HHs (2)	HERDERS HHs (2)
Once in month	11	-	-
Once in 2 months	-	-	1
Once in 3 months	10	1	-
Once in 6 months	11	1	1
Once in a year	3	-	-
Do not know	1	-	-

All PAPs indicated that there are no challenges associated with access to public transportation. Buses are available and used to visit neighbouring settlement of Mushfigabad which is 15 km away. From Mushfigabad, the respondents indicated they can visit Khirdalan, Sumgayit, and Baku cities via transfer to other buses.

Currently eighteen (18) out of surveyed forty (40) households (45%) have active loan at the banks located in Khirdalan (30 km) and Baku cities (35 km). Repaying schedule of all loans is on monthly basis. Monthly payment amount varies between 100 – 1,200 AZN. Expected completion of repayment for six (6) households is September – December 2022, for seven (7) household is February – September 2023, for two (2) households is 2024 (month is not specified), for one (1) household is year 2026 (month is not specified), and two (2) respondents do not remember exact time of the completion of payment.

Schools available for all households in the village while for universities they travel to the Baku (35 km). There is only one student studying at the university in Baku among family members of surveyed HHs.

Table 6-10 Number of Households with Active Loans

PURPOSE	LIVESTOCK OWNERS' (36)	HERB COLLECTORS (2)	HERDERS HHs (2)
	YES 16 OUT OF 36	YES 0 OUT OF 2	YES 2 OUT OF 2
House building/ repair	5	-	1
Household needs	3	-	-
Enhance household	5	-	1
Pay off debt	2	-	-
Treatment	1	-	-
Total	16	0	2

6.2.11 Grazing Activities

According to the survey 60 % of the respondents use the project site solely for grazing purposes. This 60 % comprises of twenty-two (22) livestock owners and the two (2) hired herders. Fourteen (14) of the livestock owners use Project site both for grazing activities as well as for herb collection. The table below presents the number of livestock owned by households that graze at the site.

Table 6-11 Number of Livestock of Surveyed HHs

EQUIPMENT	LIVESTOCK OWNERS' HHs (36)		HERDERS HHs (2)	
	LEASED	PERSONAL	HOUSEHOLDS' LIVESTOCK	PERSONAL
Cattle	0	118	38 ⁸	3
Sheep	0	348	0	35
Goat	0	75	0	0

No respondent has lease agreement for grazing activities and none of them face any challenges associated with grazing activities considering the absence of Land Lease Agreement. No special permits/licenses are required for local villagers to use a land for grazing livestock or collecting herbs.

Fourteen (14) of surveyed thirty-six (36) livestock owners hire herder for assisting them with grazing. Hiring of herders is not based on official contract but on verbal agreement. All respondents hire herder for grazing on annual basis and pay them total 10 AZN per cattle/month (including winter times).

⁸ Two surveyed herders alternately graze 38 private cattle of around 20 households

All livestock owners reported that livestock grazing is undertaken throughout the year, almost daily in summertime, but during the winter season from October to May grazing is undertaken 2-3 times a week due to unfavourable weather conditions.

Eighteen (18) out of interviewed thirty-eight (38) livestock owners including two herders reported that they water their livestock at home, while 20 respondents including two herders stated that they water livestock at home as well as at project site.

Use of Livestock for Household Needs

Thirty-two (32) out of thirty-eight (38) livestock owners including two (2) herders use livestock for their household need and twelve (12) out of these thirty-two (32) households use milk of livestock, two (2) use meat, while eighteen (18) use livestock for both milk and meat. Nine (9) household out of thirty-two (32) livestock owners indicated the use of livestock for household needs is not sufficient for supplying meat or milk for their household.

Table 6-12 Use of Livestock for Surveyed Household Needs

PURPOSE	HERDERS HHs (2)		LIVESTOCK OWNERS' HHs (36)	
	YES	SUFFICIENT	YES	SUFFICIENT
Meat	0	N/A	2	1
Milk	2	2	10	8
Milk and meat	0	N/A	18	12

As indicated in the table above, majority of households use livestock for subsistence (milk and meat). Only 13 households sell livestock. All livestock sales are made in the houses of household heads and no livestock is sold in markets.

Veterinary Services

Thirty four (34) out of thirty-six (36) livestock owners and two (2) herdes use veterinary services. Frequency of this uses varies from 1 – 2 time in a year to every month. Average cost of veterinary services 95 AZN per year. Seven (7) out of thirty-six (36) livestock owners do not spend funds for veterinary services.

Generally, households use the services of the state veterinary center. The State Veterinary Service mainly carries out preventive vaccinations against epizootics, which are used to prevent special dangerous diseases, as well as preventive disinfection, disinsection and deratization measures etc.

In the case of special diseases, households use the services of private veterinarians. Private veterinarians are located 15-25 km from the village and, if necessary, come to the village to examine the animals. Eighteen (18) out of thirty-eigh (38) livestock owners use services of private vetrinarians.

Table 6-13 Use of Veterinary Services

FREQUENCY	LIVESTOCK OWNERS' HHs (36)	HERDERS HHs (2)
1 – 2 times in a year	14	2
3 – 4 times in a year in a year	14	-
5 – 6 times in a year	2	-
6+ in a year	-	-
Every month	2	-
Do not use	4	-

6.2.12 Herb Collection

During the survey, fourteen (14) respondents from the livestock owners' household reported that in addition to grazing, they also collect herb such as rhubarb, thyme, and spinach from the project site from April to May. Quantities collected are presented in the Table below. Two (2) respondents from the village indicated they only collect herbs at the project site from April to May. These two (2) respondents are not involved in grazing activities. The herb collectors (HHs) reported that they collect almost 20 kg of Rhubarb in one season.

Table 6-14 Herb Collection

TYPE OF HERBS COLLECTED AT THE SITE	HERB COLLECTOR HHs (2)		LIVESTOCK OWNERS AND HERB COLLECTOR HHs (14)	
	Yes	No	Yes	No
Rhubarb	2	0	14	0
Thyme	0	0	4	10
Spinach	0	0	10	4

Table 6-15 Herb Quantities

TYPE OF HERBS COLLECTED AT THE SITE	HERB COLLECTOR HHs (2)		HERB COLLECTOR HHs (2)	LIVESTOCK OWNERS AND HERB COLLECTOR HHs (14)		LIVESTOCK OWNERS AND HERB COLLECTOR HHs (14)
	Yes	No		Yes	No	
Rhubarb	2	0	AVERAGE AMOUNT OF HERB COLLECTED IN ONE SEASON PER HOUSEHOLD (KG)	14	0	70
Thyme	0	0	0	4	10	30
Spinach	0	0	0	10	4	75

Seven (7) of the 14 respondents from the livestock owners' households reported that they collect herbs solely for household consumption. The two (2) respondents from the village that solely collect herbs from the project site also indicated it is for household consumption. The remaining seven (7) of the 14 respondents from the livestock owners' households indicated they collect herbs to generate income. Income from herb collection varies from 100 AZN to

500 AZN. Selling herbs is a part of income source and contributes (from 1 to 6%) of the total income of four (4) households and from 15-30 % for three (3) households. Herb collectors sell their herb mainly in Baku city (35 km), sometimes in Simgayit and Khirdalan town.

6.2.13 Households Assessment and Losses

When respondents were asked how they assess their household income, sixteen (16) of the 40 respondents (40 %) indicated that their income is sufficient for the purchase of food only. Fourteen (14) of the respondents (35 %) mentioned that the income is sufficient for only basic needs (i.e., food, clothes and utilities), eight (8) respondents (20 %) mentioned that their income is not sufficient for food purchase while the remaining two (2) (5%) respondents indicated their income is enough for food, clothes, and other daily needs.

Table 6-16 Household Income Assessment

ASSESSMENT LEVEL	LIVESTOCK OWNERS' HHs (36)	HERB COLLECTOR HHs (2)	HERDERS HHs (2)
Income is enough for purchasing all needs	-	-	-
Income is enough for food, clothes, and other daily needs	2	-	-
Income is enough for essential needs – food, clothing, utility bills	15	-	-
Income is enough only for food	12	2	1
Income is not even enough for food	7	-	1

The table below shows how the COVID-19 quarantine affected the household income of PAPs. Majority of the PAPs (40 %) indicated that they lost all income sources during the quarantine, 38 % reported that their profits decreased during the quarantine and 22 % reported that the quarantine did not affect their income source.

Table 6-17 Quarantine Effects

LEVEL	LIVESTOCK OWNERS' HHs (36)	HERB COLLECTOR HHs (2)	HERDERS HHs (2)
It did not affect	8	0	1
Profits decreased	14	1	0
We lost all income sources	14	1	1
Profits increased	-	-	-

In addition to quarantine effects, other factors that can result in decrease of income and profits for PAPs include:

- High price of consumer goods;
- Extension of COVID-19 quarantine;
- Unemployment; and
- Price reduction for agricultural products that they sell, etc.

Table 6-18 Other Factors Affecting Income/Profit

RISK	LIVESTOCK OWNERS' HHs (36)	HERB COLLECTOR HHs (2)	HERDERS HHs (2)
Price reduction for agricultural products	25	-	1
Low level of irrigation water	6	-	-
High prices for consumer goods	36	2	2
Quarantine extension	27	1	1
Unemployment	25	2	-

6.2.14 Women Impacted by the Project

Based on the data obtained during the socio-economic surveys with the PAPs, there is no female led household.

Majority of the women in the surveyed households are full time housewives. This includes **86%** of livestock owners' woman family members. Remaining woman family members are civil servants (**10%**), and pensioners (**4%**).

6.2.15 Vulnerable Households

The household survey identified the following vulnerable groups as provided in the table below. These vulnerable groups/people may require additional support more than other PAPs because they are less able to cope with economic displacement.

Table 6-19 Number of Vulnerable People Impacted by the Project

PAPs	CHRONIC ILLNESSES	DISABILITY	ELDERLY (60 YEARS AND ABOVE)	IDPs	LIVESTOCK ACTIVITIES IS THE MAIN INCOME/ONLY SOURCE OF INCOME	INFORMAL LAND USERS	OBTAINED LOANS
Livestock owner (Out of Seventeen Vulnerable PAPs)	1 livestock owner have chronic illnesses	5 livestock owners support a member of their family with disability	10	1 Household (4 members)	Main source of income for 8 livestock owners.	36 ⁹	1
	3 livestock owners support a member of their family with chronic illness				Only source of income for 5 livestock owners		
Herder (Out of 2)	-	-	2	-	Main source of income for one herder.	2	1

⁹ All households that use the project site for grazing do not have legal agreement

PAPs	CHRONIC ILLNESSES	DISABILITY	ELDERLY (60 YEARS AND ABOVE)	IDPs	LIVESTOCK ACTIVITIES IS THE MAIN INCOME/ONLY SOURCE OF INCOME	INFORMAL LAND USERS	OBTAINED LOANS
					Only source of income for one herder.		

The table above provides a general overview of PAPs that are likely to be more vulnerable. Based on this, a vulnerability analysis has been undertaken to identify more context specific groups of vulnerable people affected by the Project. This is as described below:

- Chronic illness:**

- One (1) livestock owner has chronic illness; and
- Three (3) livestock owners support family member with chronic illnesses.

The disruption of PAPs activities could potentially affect the income of livestock owners and herb collectors that have chronic illness and/or support family members with medical expenses thereby affecting their ability to pay for their own medical treatment or support family members medical treatment.

- PAPs with disabilities:**

- Five (5) livestock owners support family member with disability.

In case the livelihood of the livestock owners supporting their family members with disability is impacted due to loss of grazing land, their ability to meet medical expenses may be slightly impacted.

- Elderly:**

- There are two (2) herders and ten (10) livestock owners 60 years and/or above. In the event that their livelihood is slightly impacted due to loss of grazing land, it may be potentially difficult to transition to other income generating livelihoods.

- Herding/herb collection is the main/only source of income:**

- Herding is the main source of income for eight (8) livestock owners and only source of income for five (5) livestock owners.
- Herding is the main source of income for one (1) herder and only source of income for one herder.
- Herb collection is the only source of income for the two (2) households that obtain herbs.

Any impact on the herding activities of these PAPs through loss of grazing land will negatively impact their livelihood and income.

- Loans:**

- Two (2) herders have taken loan for house repair and to enhance household.
- Sixteen (16) livestock owners have taken loan for different purpose (house repair, household needs, to pay off debt, etc.).

The PAPs with loan from the bank may find the disruption of their work during the construction phase affecting their income and consequently affecting their ability to pay back the loan as per the loan contract.

- **Informal land users (without legal agreement with municipality):**

- All households and herders that use the project site for grazing do not have legal agreement with municipality and their land use rights are not recognised under the Azerbaijani law.

Note: The total number of vulnerable PAPs are 36 livestock owners, 2 herb collectors and 2 herders.

6.2.16 Impacts of the Project as Perceived by the PAPs

The table below indicates main impacts of the project as perceived by PAPs.

Table 6-20 Main Impacts Perceived by PAPs

IMPACT	LIVESTOCK OWNERS' HHs (36)	HERB COLLECTOR HHs (2)	HERDERS HHs (2)
Lack of alternative pasture	13	-	1
Decrease of grazing area	14	-	-
Long distance to alternative area	7	-	-
No impact	5	2	1
Do not know	5	-	-

All respondents indicated that lack of alternative pasture or decrease in grazing area due to the construction of the Project will result in an increase in livestock feed purchase as the livestock will not have sufficient grazing area. In case if municipality provides alternative land, they indicated that the alternative grazing land may not be the same quality or size as the present grazing land.

6.2.17 PAPs Expectations on Livelihood Restoration Measures and/or Support

Based on the data received from the socio-economic survey, PAPs main expectations on livelihood restoration measures and/or support are as follows:

- Provision of alternative grazing land with the same conditions and quality as it is in project site,
- Provision of some compensation if no alternative land provided,
- Provision of financial support to families with disabled members, and
- Provision of temporary jobs to PAPs that will be affected by project implementation.

7 SCOPE OF ECONOMIC DISPLACEMENT

7.1 Land Requirements

Based on the Project boundary, the total area of land is 239.64 ha. However, it is understood from the Client that the construction and operational phase of the project will only require the land under the Project footprint (i.e., areas where the Project facilities will be sited such as the turbine pads, substation, access roads, laydown areas, storage area etc). As such, it is expected that the total land take for the project will be for less than 239.64 ha as further demonstrated below.

According to the Land Lease Agreement (LLA) signed with the Perekeshkul Municipality and the Ministry of Energy of the Republic of Azerbaijan, 14.18 ha of land will be leased for the Project and this will cover the WTG footprint area, substation and laydown areas.

7.2 Impact on Land

The total area of land allocated to the Project and the estimated land needs for the project is presented in the table below.

Table 7-1 Project Land Needs

SUBJECT	AREA (KM ²)	AREA (HA)
Total Land Allocated (Project Boundary)	2.3964	239.64
Land Impacted by Project (construction and operation) Project Footprint including all project elements (WTG pad area, substation, BoP, access road and laydown area)	0.2107	21.07
Project Land Subject to Land Lease (i.e. WTG pad area, substation, and laydown area)	0.1418	14.18
Project footprint + Buffer*	0.5048	50.48

* Buffer for BoP and access road = 5 m, Buffer for WTG = 30 m and Buffer for Substation = 30 m.

Based on the above, the total land area required for the Project's construction phase is 50.48 ha including the buffer zone. As such, a total of 189.16 ha of land within the allocated project land will not be affected by project facilities.

It should be noted that out of the 50.4847.45 ha required for the construction of the project, the LLA for the Project will only be for the project footprint area subjected to land leasing of 14.18 ha. An easement will be obtained for the remaining areas which include BoP, access road and buffer.

7.2.1 Impact to Households that Graze at the Project Site

The total area used for grazing within the Project site is 176 ha. It is approximated that the Project facilities including buffer, BoP and access roads will impact a total of 29.12 ha of land used for grazing as shown in the table 7.2 below. This accounts for approximately 16.5 % of the total area used for grazing (see table 7-3 below).

Table 7-2 Project Facilities within Grazing Land

PROJECT FACILITIES	HA	TYPE OF IMPACT
WTG Base	5.2	Permanent
Substation	2.6	Permanent
Laydown Area	0.1	Temporary
BoP and Access Road	3.7	Permanent
Buffer Zone*	17.63	Temporary
Total	29.12	N/A

* Buffer for BoP and access road = 5 m, Buffer for WTG = 30 m and Buffer for Substation = 30 m.

Note: The project footprint in the tables above has been calculated based on the BoP as provided by ACWA Power in November 2021.

It is understood from the client that the project footprint will be cordoned off during construction for health and safety reasons. Therefore, these areas cannot be accessed during construction and grazing will not be allowed. However, access to other areas outside the project footprint will not be restricted and can be accessed by the livestock owners and herders.

During the operational phase of the Project, grazing outside the project footprint i.e., WTG pads, switching station area etc. and fenced area will still be allowed.

Note: To ensure all health and safety risks to PAPs are mitigated and managed during the construction phase, the Community H&S plan will include the necessary procedures for all project activities and measures to avoid risks and impacts to the PAPs.

The table below presents the permanent impact of the project footprint on the household grazing land.

Table 7-3 Impact on Householders Grazing Land

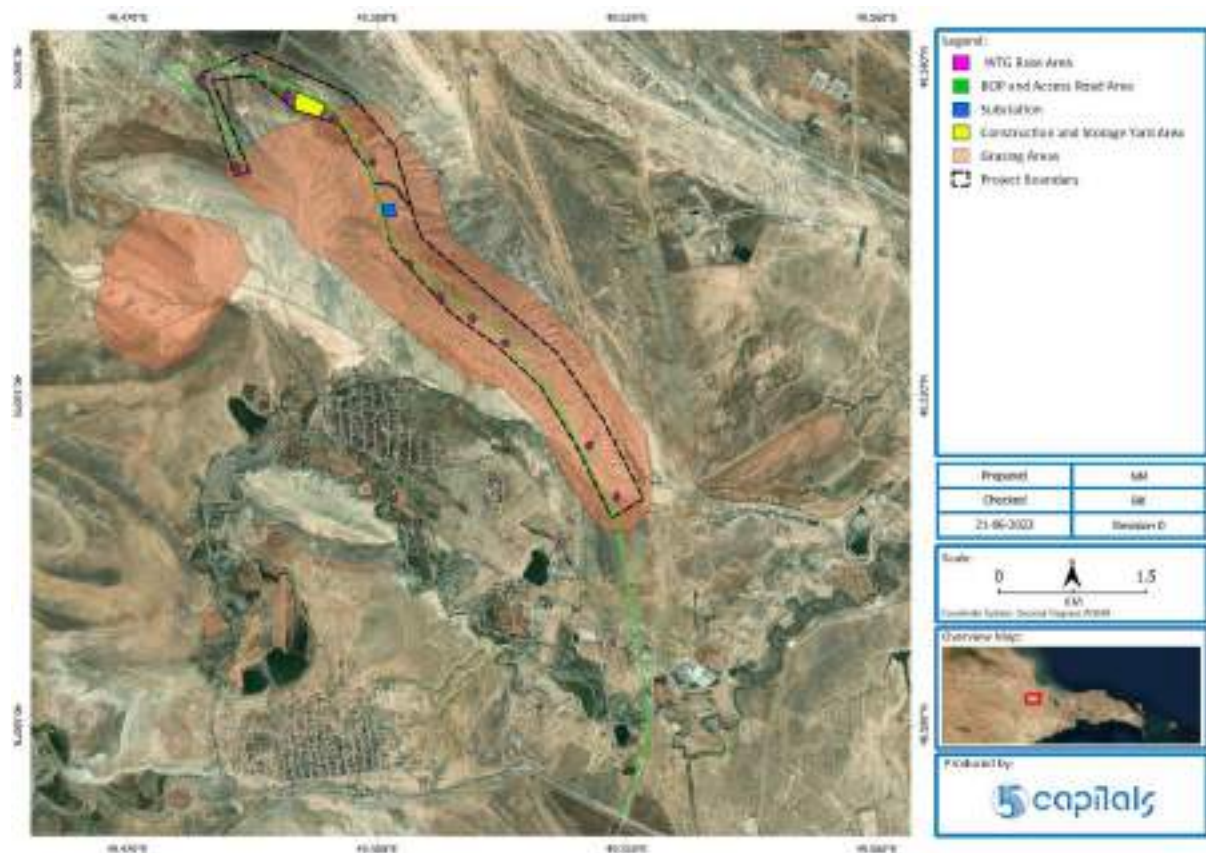
	TOTAL AREA OF GRAZING LAND (HA)	TOTAL GRAZING AREA WITHIN PROJECT SITE (HA)	LAND PERMANENTLY IMPACTED BY PROJECT FOOTPRINT (HA)	% OF LAND PERMANENTLY IMPACTED BY PROJECT FOOTPRINT	GRAZING LAND OUTSIDE PROJECT FOOTPRINT (HA)	AVAILABLE GRAZING LAND OUTSIDE PROJECT BOUNDARY (HA)
Householders	770.93	176	11.5	1.43 %	759.43	594.34

Note: The calculations in the table above have been approximated based on the BoP provided by ACWA Power in November 2021 and the approximated grazing areas provided by the Municipality.

Based on the table above, overall householders will permanently lose only about 1.43 % of their grazing land to the Project footprint. As such all livestock owners and herders will still have sufficient land to graze within and outside the project site.

It should be noted that all areas within the project site have the same quality and productivity.

Figure 7-1 Overlay of Project Facilities over Approximate Householders Grazing Areas



7.2.2 Impact to Herb Collectors

It is approximated that the Project facilities will impact a total of 4.2 ha of herb collection area as shown in the table 7-4 below. This accounts for approximately 7.28 % of the total area of herb collection area (see table 7-5 below).

Table 7-4 Project Facilities within Herb Collection Area

PROJECT FACILITIES	HA	TYPE OF IMPACT
WTG Base	1.33	Permanent
Substation	1.62	Permanent
Laydown Area	0	Temporary
BoP and Access Road	1.33	Permanent

PROJECT FACILITIES	HA	TYPE OF IMPACT
Buffer zone	5.61	Temporary
Total	9.76	N/A

Note: The project footprint in the tables above has been calculated based on the BoP as provided by ACWA Power in November 2021.

* Buffer for BoP and access road = 5 m, Buffer for WTG = 30 m and Buffer for Substation = 30 m.

The table below presents the impact of the project footprint on the herb collection area.

Table 7-5 Impact on Herb Collection Area

	TOTAL HERB COLLECTION AREA (HA)	TOTAL HERB COLLECTION AREA WITHIN PROJECT SITE	HERB COLLECTION AREA PERMANENTLY IMPACTED BY PROJECT FOOTPRINT AND BUFFER (HA)	% OF LAND PERMANENTLY IMPACTED BY PROJECT FOOTPRINT INCL BUFFER ZONE	HERB COLLECTION AREA OUTSIDE PROJECT FOOTPRINT INCL BUFFER ZONE AREA (HA)
Herb Collectors	56.96	26.56	9.75	17.11 %	47.21

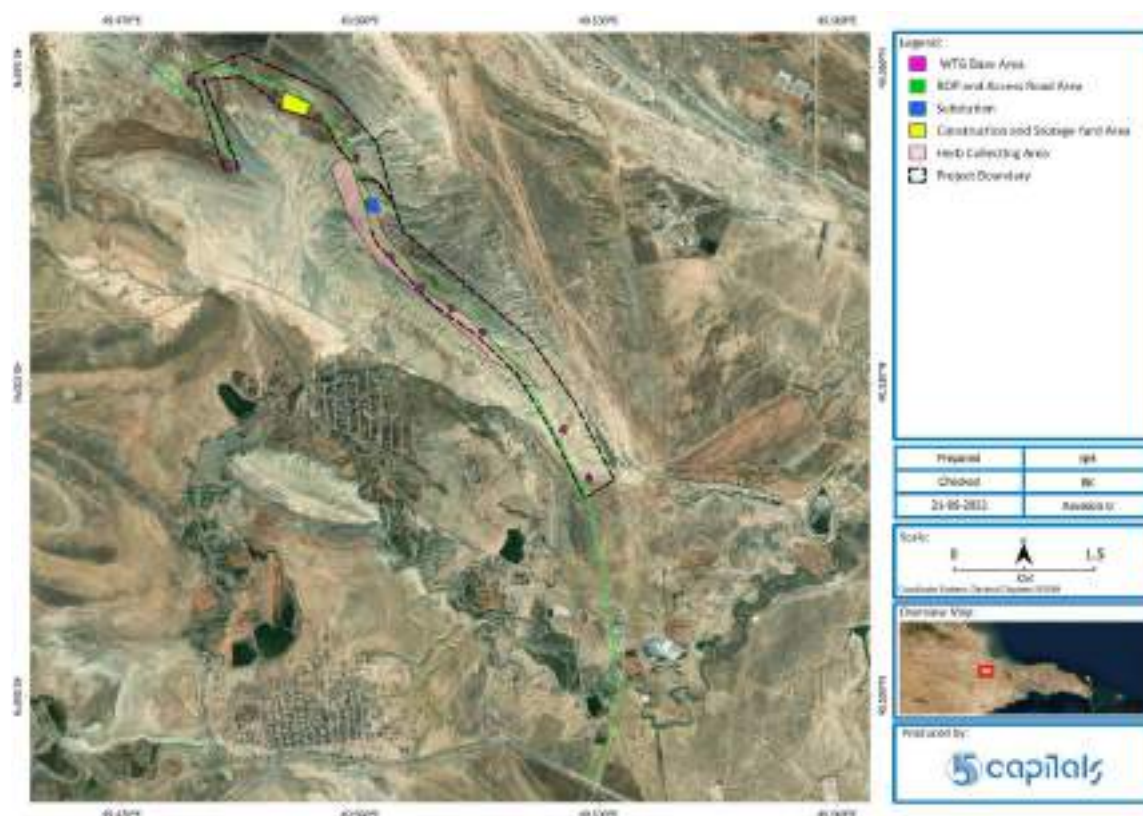
Note:

1. The calculations in the table above have been approximated based on the BoP provided by ACWA Power in November 2021 and the approximated herb collection area provided by Perekeshkul Municipality.

Based on the table above, the herb collectors will lose approximately 17.11 % of the herb collection area during the construction phase. It should be noted that herb collectors tend to collect herbs not only at the project site but across the land allocated to the Municipality for public use as such herb collectors will still have sufficient land to collect herbs outside the project site. Also, there is no difference in quality/productivity of herbs within or outside the project site.

Due to restrictions on the EPC from encroaching on land outside the assigned land lease area, it is expected that the herb collectors will be able to keep obtaining herbs outside the project footprint and away from active construction areas during the construction phase. Herb collection during the operational phase will also continue outside the project footprint.

Figure 7-2 Overlay of Project Facilities over Approximate Herb Collection Area



7.3 Loss of Wages

The wages of herders hired by the households will be impacted by the development of the wind farm (4 livestock owner hire herders for assisting them with grazing). Hiring of herders is not based on official contract but on verbal agreement. These herders are temporary workers as they only graze livestock during late spring and summer months.

Although the project will only impact about 1.43 % of the grazing land, alternative land where livestock owners can graze their livestock has been provided by the Pereleshkul Municipality. Given that there is available land at the present grazing area and alternative land has also been proposed, it is highly unlikely that any of the herders hired by livestock owners will lose their jobs as grazing land is available.

To minimise the impact on collecting herb and grazing activities, an alternative land has been determined with consultation of Pereleshkul Municipality. Based on the official response of Municipality, Pereleshkul Municipality has provided alternative areas (25 ha) where herb collectors are able to collect herbs and households/herders can graze livestock. It is also confirmed by Municipality that the proposed land is not leased to legal or physical entities, and it is free and will be made available only for use by the project-affected person.

8 ELIGIBILITY AND ENTITLEMENT

8.1 Eligibility

The PAPs eligible for compensation or support under the Project are:

- All householders using the project site;
- All herb collectors that use the project site, and
- Herders hired by the affected households.

8.2 Determination of Entitlements

The compensation of the PAPs will be based on the eligibility and entitlements as provided in the table below. These entitlements have considered both national and lender standards.

Table 8-1 Entitlement Matrix

ASSET	SPECIFICATIONS	AFFECTED PERSONS	COMPENSATION ENTITLEMENT
Land	Grazing land within the Project footprint	All herders and households who use the project site for grazing	<ul style="list-style-type: none"> • Demarcate areas that are not accessible during construction phase so herders can graze livestock in other areas of the project site. • Allocation of temporary access routes for livestock and herders to areas within the project boundary where grazing can still occur during the construction phase. • All households and their herders will be provided with a month's notice before the commencement of the construction phase of the Project and information on location of alternative grazing land provided. • Access to alternative grazing land in areas identified in consultations with the local municipality one month before the start of the construction phase. • Transitional support to be provided to herders/households during the period they will be moved to alternative grazing area. This will include the provision of animal feed and veterinary services to help the herders/households transition seamlessly to the new grazing areas.
Herbs	Loss of plants like thyme. (as a result of permanent land take within turbine pad, substation, laydown areas)	All herb collectors	<ul style="list-style-type: none"> • Notify the herb collectors on the construction schedule and how it overlaps with their seasonal herb collection. • Right to collect herbs from the project site before the commencement of construction works. In the event that construction begins before the herbs are harvested, compensation for lost harvest will be provided at full replacement value¹⁰. • Demarcate areas that are not accessible during construction phase so herb collectors can collect herbs in other areas of the project site. • Allocation of temporary access routes for herb collectors to areas within the site where herbs can still be obtained during the construction phase. • Provision of cash compensation at full replacement cost during transition period until herb collectors are able to restore herb collecting income-earning capacity. Transition

¹⁰ According to IFC PS 5 Replacement cost is defined as the market value of the assets plus transaction costs. In applying this method of valuation, depreciation of assets should not be taken into account. Market value is defined as the value required to allow Affected Communities and persons to replace lost assets with assets of similar value.

ASSET	SPECIFICATIONS	AFFECTED PERSONS	COMPENSATION ENTITLEMENT
			<p>period will be a maximum of 3 months and cash compensation will be calculated based on the monthly income gained from herb collection.</p> <ul style="list-style-type: none"> Provision of additional assistance to find alternative employment opportunities i.e., priority employment at the project site etc. ensuring that this does not impact herb collection activities.
Employment	Loss of employment	The herders (shepherds) employed by the households	<p>The following are only applicable during period of transition to alternative grazing area</p> <ul style="list-style-type: none"> Cash compensation for lost income (based on their monthly wages or Azerbaijan minimum wage whichever is higher) for the period of transition which is expected to be 3 months (maximum). Provision of training and additional assistance to find alternative employment opportunities i.e., priority employment at the project site etc.
Vulnerable Households	-	<p>All herders/households without official lease agreement, all herders/households using the project site, herders over 60, households with family members on social assistance, households with family members that have chronic illness, disability, are refugees/IDPs, households/herders with main or only source of income, loans and any herder that receives support from the government</p>	<ul style="list-style-type: none"> Vulnerable households will be entitled to additional support which will be intended to improve their standard of living. Such additional support will be based on the needs of each household. Priority for employment in Project related jobs, training opportunities and wage assistance etc. ensuring that this does not impact livestock breeding activities. Provision of the cash allowance. Minimum one (1) month Azerbaijan minimum wage for 2023 (345 AZN) per each vulnerable PAP (one-time payment). In addition to that, support to vulnerable HHs, where additional support is required for their needs such as treatment, tuition fees etc. If needed, support vulnerable groups in opening bank accounts process such as identifying the closest branch, payment of any fee associated with bank opening etc.

8.3 Valuation Methodology

The valuation of the affected land impacted by the Project will be made in accordance with EBRD PR5, IFC PS 5 and ADB Involuntary Settlement Safeguards including the Azerbaijan legislative requirements. Further information about the relevant legal requirements is provided in Chapter 3 Legal Framework & Compliance Obligation.

This section describes the valuation methodology adopted for the Project compensation which has been applied for all impacted PAPs.

8.3.1 Compensation for Loss of Grazing Land

Available land where livestock owners can graze their livestock has been provided by the Pereleshkul Municipality (see Figure below). Although there is sufficient available land at the present grazing area (as only 1.43% will be affected) another available land has also been proposed and this can be allocated to the households that graze at the project site during the construction phase when access will be restricted. It has been confirmed by the Municipality that the proposed available grazing areas are property of Municipality and is not leased to legal or physical entities, and it is free and will be made available only for use by the project-affected person. See additional information on in-kind compensation for land loss in Section 8.8 herein

Figure 8-1 Location of Available Alternative Grazing Area in Relation to the Project Site and Pereleshkul Village



8.3.2 Compensation for Lost Income of Workers/Herders

Calculating compensation proposed in the Labour Code of Azerbaijan (Chapter VI) suggests the average amount by considering the number of worked days and months. However, it is suggested to apply the best which is to consider a minimum wage for three (3) months, as these herders do not have agreements.

The calculations will be based on the Azerbaijan minimum wage for 2023 which is 345 AZN ¹¹ will be used if their salaries are lower.

ADDITIONAL LENDERS REQUIREMENTS FOR THE PROJECT

Permanent workers will be entitled to six (6) months of pay while temporary workers will receive three (3) months of lost income.

8.3.3 Compensation for Vulnerable Groups

The Azerbaijan law does not provide any requirements for the support or assistance of vulnerable groups in relation to livelihood restoration as a result of Project development. However, the Project will be required to provide support to vulnerable groups in order to meet EBRD, and ADB requirements. The vulnerable PAPs have been identified in the socio-economic survey details of which are provided in Section 6.3.

8.4 Valuation Verification

The valuation process has been conducted by an assigned evaluator from PRIVAT Co Firm who is registered on the February of 1999 at the Ministry of Justice of Azerbaijan. Evaluator has prepared (i) compensation for calculating land loss based on legal requirements and best practices, and (ii) calculation of compensation for affected land plots.

8.5 Compensation Entitlements

The compensation costs for each category are presented in the tables below as follows:

- Compensation for hired workers (herders)

Table 8-2 Calculation for Loss of Income for Hired Workers (Herders)

NUMBER OF WORKERS	MONTHLY SALARY PER WORKER (AZN)	TOTAL COMPENSATION IN THREE MONTHS (AZN)
2	$345 * 2 = 690$	$690 * 3 = 2,070.00 \text{ AZN}$

¹¹ https://www.sosial.gov.az/post_509945

Note: *It is highly unlikely that any workers will lose their jobs. However, the compensation packages above have been provided in case any workers are impacted by the project leading to loss of employment.*

8.6 Support to Vulnerable Households

Support provided to vulnerable households will vary based on the consultations held with each PAP and assessment of their needs. This has been broken down per household as provided in the table below. Total amount of the minimum support to vulnerable groups will be 15,465.00 AZN.

.

Table 8-3 Support to Vulnerable Livestock Owners

PAP CODE	REQUESTED SUPPORT	NOTES	SUPPORT TO BE PROVIDED	BUDGET ALLOCATED (AZN)	EXPLANATION
1	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
2	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
3	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
5	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
6	Request assistance in finding alternative grazing land.	There are 14 household members including his disabled mother, sister and two (2) sons.	Alternative land will be provided. One month minimum Azerbaijan wage. Considering the number of the household member and having disables people, additional support will be provided.	945 (One-time payment)	Due to the reason household is crowded and having disabled person in the household, additional support (600 AZN) will be provided.
7	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
8	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
9	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A

PAP CODE	REQUESTED SUPPORT	NOTES	SUPPORT TO BE PROVIDED	BUDGET ALLOCATED (AZN)	EXPLANATION
10	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
11	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
12	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
13	Request assistance in finding alternative grazing land.	There are 12 household members including his 17 years old disabled grandson, with small income from pensions and seasonal job.	Alternative land will be provided. One month minimum Azerbaijan wage. Considering the number of the household member and having disables person, additional support will be provided.	945 (One-time payment)	Due to the reason household is crowded and having disabled person in the household, additional support (600 AZN) will be provided.
14	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
15	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
16	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
17	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
18	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A

PAP CODE	REQUESTED SUPPORT	NOTES	SUPPORT TO BE PROVIDED	BUDGET ALLOCATED (AZN)	EXPLANATION
19	Request assistance in finding alternative grazing land.	Household has over 60 years old disabled brother. Tuition fee payment for his daughter studies.	Alternative land will be provided. One month minimum Azerbaijan wage.	645 (One-time payment)	Additional support (300 AZN) will be provided to household for tuition payment.
20	Request assistance in finding alternative grazing land. Requires financial support on monthly loan repayment	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment))	N/A
21	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
23	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
25	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
26	Request assistance in finding a job for him and his son. Request assistance with feed supply for his livestock.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage. Additional support for livestock feed supply or equivalent allowance based on the number of livestock PAP owns.	645 (One-time payment)	Additional support (300 AZN) will be provided for the unemployment. Job request will be considered by Project.

PAP CODE	REQUESTED SUPPORT	NOTES	SUPPORT TO BE PROVIDED	BUDGET ALLOCATED (AZN)	EXPLANATION
27	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
28	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
29	Request assistance in finding a job for him and his son.	Livestock activities is only household income source. His daughter-in-law suffers from tumor on the chest	Alternative land will be provided. One month minimum Azerbaijan wage.	645 (One-time payment)	Additional support (300 AZN) will be provided for the health treatment. Job request will be considered by Project.
30	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
31	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
32	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
33	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
34	Request assistance in finding alternative grazing land.	Household head is 65 years old and pension is the only source of household income	Alternative land will be provided. One month minimum Azerbaijan wage.	645 (One-time payment)	Additional support (300 AZN) will be provided as the head of the household is a pensioner and this is the only income source.
35	No support requested.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A

PAP CODE	REQUESTED SUPPORT	NOTES	SUPPORT TO BE PROVIDED	BUDGET ALLOCATED (AZN)	EXPLANATION
36	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
40	Request assistance in finding alternative grazing land.	Household head is 63 years old and livestock activity is the main source of household income	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
41	Request assistance in finding a job for him and his son.	The household head is 51 years old and suffers from diabetics	Alternative land will be provided. One month minimum Azerbaijan wage.	645 (One-time payment)	Additional support (300 AZN) will be provided for the unemployment. Job request will be considered by Project.

Note: Livestock owners of household 38, 42, 43 and 44 were not surveyed.

Table 8-4 Support to Vulnerable Herders

#	REQUESTED SUPPORT	NOTES	SUPPORT TO BE PROVIDED	BUDGET ALLOCATED (AZN)	EXPLANATION
39	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A
37	Request assistance in finding alternative grazing land.	N/A	Alternative land will be provided. One month minimum Azerbaijan wage.	345 (One-time payment)	N/A

Table 8-5 Total Support to Vulnerable Households

VULNERABLE GROUP	BUDGET ALLOCATED (AZN)
Households (Livestock Owners)	14,775.00
Herders	690.00
TOTAL	15,465.00

8.7 Livelihood Restoration Programme

Livelihood restoration programmes are not required under Azerbaijan law, but this is a lenders requirement and therefore applicable to the Project. The main objective of the livelihood restoration programme is to ensure that the PAPs are better off as a result of the Project, or not left worse-off than they were before the Project development. It is also meant to ensure that the standard of living for the vulnerable PAPs is improved.

The consideration for the livelihood restoration programmes is based on consultations with PAPs and is guided by the data collected through-out the LRP process.

Table 8-6 Livelihood Restoration Programme

LAND USE TYPE	PROGRAM	TARGETED PAPs	NO OF ELIGIBLE PAPs	DETAILS
Grazing Land	Livestock Breeding and Management	All herders including those from households and their workers	24 (22 livestock owners and 2 hired herders)	<p>All herders (including those from households and those hired) will receive training from qualified livestock expert(s) on the following aspects as a minimum:</p> <ul style="list-style-type: none"> • Training on livestock breeding i.e., potential artificial insemination, how to improve their livestock breeds etc. • Pasture management including pasture rotation to allow for pasture regrowth, reseedling etc. • How to reduce death of livestock during lambing season. • Livestock disease prevention and management. • Analysis of local markets and identification of buyers for their private livestock. <p>In addition, the herders will be provided with one year (two times) of veterinary professional access who will check up on their livestock and provide medication as appropriate. Where needed, veterinary professional access can be extended for one more year.</p>
	Access to Project Employment	All interested and eligible PAPs	N/A	<p>Providing employment to eligible PAPs that have indicated they or members of their household require project employment or assistance in finding a job will offer benefits in form of regular source of income to PAP households for the duration of the construction phase of the Project. In the long-term, this will provide certain opportunities for training and skill enhancement. The LRP implementation team will be required to:</p> <ul style="list-style-type: none"> • Coordinate with the EPC Contractor and sub-contractors on the employment screening and recruitment procedures which must be met before the PAPs are provided with a job. • Employment opportunities will be communicated to the PAPs including the recruitment requirements and deadlines. <p>Where employment opportunities are not available the PAPs will be provided support in:</p> <ul style="list-style-type: none"> • Registering in local employment agencies (where they exist) • Facilitation in job placement (where possible and based on the skills of the workers.) • Support to access and register with national/local social support programmes.

8.8 Available Land for Grazing and Herb Collection

The land allocated for grazing and herb collection by the Municipality for PAPs was assessed based on (i) engagement with the relevant authorities and (ii) a site visit and consultations with the participation of authorities and the vulnerable PAPs.

In order to confirm the availability of the land, a consultation letter was issued to Perekeshkul Municipality in May 2022.

Based on the official response received, the Municipality stated that land will be provided (25 ha) for PAPs for grazing and herb collection activities. It is also confirmed by Municipality that the proposed land is not leased or used by any entity and will be provided for the PAPs to use.

Location and coordinates were also provided in the letter and shown in the figure below.

Figure 8-2 Location of Proposed Alternative Grazing Area - by Perekeshkul Municipality



In addition, a site visit was carried out on 24 June 2022 with the Municipality of Perekeshkul to assess and confirm the availability of land that will be provided to PAPs. A summary of the site visit is provided below. One of the herders attended the site visit on behalf of 18 households (PAPs) who hire the herder to carry out the grazing on their behalf.

DATE OF CONSULTATION	24 th June 2022
TIME	10:00 – 12:00

STAKEHOLDER GROUP	Local Government Authorities – Perekeshkul Municipality, herder
VENUE	Alternative Grazing Land
LANGUAGE	Azerbaijani
PARTICIPANTS	Representatives from Perekeshkul Municipality, Employee of PIC, Herder and Local Consultant (JE)

MAIN DISCUSSIONS

The summary of site visit discussion for alternative land site visit with municipality:

- It has been confirmed that the legal owner of the proposal land is Perekeshkul Municipality.
- Municipality has stated that proposed land is not leased to any entity, and it is free and available for use by the PAPs.
- It has been stated that proposed alternative land is suitable as a pasture and being used by villagers to graze animals.
- Herder confirmed suitability of available land for grazing livestock for the 18 households he is hired by.

PHOTOS



Further meetings were carried out in July 2022 with PAPs who could not attend the site visit to confirm their approval of the available land (total 25 PAPs). All PAPs accepted the proposed land, with the exception of three (3) PAPs. These PAPs believe they should receive cash compensation, however, they stated that they might also use the land provided by the Municipality.

Note: During the socio-economic survey, herb collectors indicated that there will not be negatively impacted by the project implementation as they collect herbs from other surrounding areas of the project site. Based on this information and given that the alternative land has the same productivity/quality as the project site (see benefits below), it is expected that alternative land will be suitable for herb collection as such additional consultation or meetings was not scheduled with this PAP.

Benefits of the Alternative Land

The alternative land is 650m from the Pereleshkul village which is a shorter distance compared to the project site which is approximately 1km from the Pereleshkul village. Also there is direct access from village to proposed alternative land (proposed alternative land is located next to village) as such, the walking distance is shorter than the distance to the project site.

The quality of proposed alternative land is the same as it is at the Project site. This was confirmed by local herder who use to graze villager's livestock at the Project site. The viability for digging pits for water was confirmed by local herder who use to graze livestock of villagers.

Additional Consultation with PAPs That Rejected Proposed Land

Further meetings were held with the PAPs that rejected proposed land on 9th of September to discuss the suitability of the alternative land, explain the national and lenders requirements on compensations and how the entitlements were determined. It should be noted that only two (2) PAPs attended the meeting. The third PAP was hospitalized and could not attend. A summary of the meeting outcome is presented below.

DATE OF CONSULTATION	9 th September 2022
TIME	09:15 – 10:00 and 10:15 – 11:00
STAKEHOLDER GROUP	Head of households
VENUE	Municipality Office
LANGUAGE	Azerbaijani
PARTICIPANTS	Chair of Pereleshkul Municipality; Deputy Chair Pereleshkul Municipality; Head of Household 12; Head of Household 23; Representative of Local Consultant (JE) and; Representative of ACWA Power.
MAIN DISCUSSIONS	

- The head of household 12 indicated that the reason he rejected the proposed alternative land was because he was concerned that there would be a decrease in land available to his livestock for grazing.
- To his concern, ACWA Power representative informed him that the proposed alternative land provided by the Municipality is 24ha and this is more than the area of land at the project site. The Chair of Perekeskul Municipality also informed the head of household 12 that in addition to the proposed available land, the villagers from Perekeskul village are free to also use any other land that belongs to the Municipality.
- Following this explanation from ACWA Power and Perekeskul Municipality representative, the head of household 12 had no more concerns and confirmed that he would use the proposed alternative land.
- The head of household 23 indicated that the reason for rejecting alternative land was because his livestock graze without supervision and he does not hire herders to graze his livestock as such he is worried that his livestock might go directly to the construction site and get injured or die.
- Based on this, the head of household 23 requested that in order to accept alternative land, the Project should provide him with (i) costs for hiring herder to graze his livestock so the livestock do not wander off to the construction site or (ii) he should be supplied with livestock feed for 1 year.
- To this, the representative of ACWA Power informed him that the options proposed will be considered.

Following the meeting, ACWA agreed to pay for the cost of hiring a herder to support the head of household 23 with the grazing of his livestock for the duration of construction.

Consultation with PAP that was Hospitalized

On 6th January 2023, phone call consultation was undertaken with the PAP that was hospitalized (Head of Household 26) to discuss the suitability of the alternative land as he could not attend the meeting on 9th September 2022 and he indicated that he does not accept the proposed alternative land and prefers to keep livestock in his house. He also requested that he would appreciate livestock feed supply support from the Project. Given that the PAP is a vulnerable livestock owner, this request will be considered by the Project and has been included to the other requested support in Table 8-3 above.

9 INSTITUTIONAL ARRANGEMENTS

The planning, preparation and implementation of the LRP will involve distinct processes and different parties/stakeholders with different roles and responsibilities. Various Agencies and Institutions are responsible for the different functions in the LRP process and implementation.

9.1 Government Agency

9.1.1 Perekeshkul Municipality

The Perekeshkul Municipality has been closely involved in the LRP processes. Their roles include:

- Allocation of land in Absheron district to the Project;
- Issuance of letters to PAPs notifying them of the use of land by the State for the project development;
- Identification and allocation of alternative land at Absheron district to PAPs; and
- Providing assistance in conducting communication between PAPs and Project Developer.

9.2 ACWA Power

ACWA Power as the Project Developer will play a vital role in the development and implementation of the LRP. The costs for implementation of the LRP and monitoring the implementation of the LRP will be internal costs to ACWA Power and will be provided at the implementation stage.

Some of its roles and responsibilities will include:

9.2.1 Deputy CEO (Project Company)

- Understand the need and implementation requirements of the LRP;
- Support the implementation of the LRP;
- Ensure that the human and financial resources are provided to allow for the implementation of the LRP; and
- Ensure that an independent E&S consultant is appointed for the monitoring and auditing of the implementation of the LRP.

9.2.2 Business Development Team (Azerbaijan Team)

- Disclosure of the final entitlements and livelihood restoration packages to the PAPs once the LRP has been prepared and finalised;

- Setting up the Livelihood Restoration implementation team including qualified livelihood/social experts¹² and the committee that will be in charge of the cash compensation (the compensation committee will be selected from the ACWA Power staff outlined herein);
- Appointment of the experts required to provide livelihood support programs e.g. livestock breeding technician to provide livestock breeding training to livestock owners & herders (if applicable); and
- Ensure that the EPC Contractor and O&M Company (if applicable) is aware of the compensation policies and are monitored to avoid any violations of such policies.

9.2.3 Financial Department

- Disbursement of the cash compensation package into the PAPs personal bank accounts and any other additional support in accordance with the LRP timeline; and
- Ensure timely payment of income tax on top of all the PAPs compensation packages.

9.2.4 E&S Implementation Manager

- Oversee the implementation of the LRP
- Notify the PAPs on the information required to prove eligibility of the compensation entitlements including transitional support.
- Notify the PAPs on the LRP implementations timelines and how this relates to the project schedule, relocation requirements etc.
- Addressing any grievances received through the established LRP GRM and PIC in coordination with the LRP implementation team including allocation of necessary resources;
 - It is noted that once the LRP is completed the grievance mechanism and PIC will be handed over to ACWA Power/Project Company.
 - Inform the relevant government agencies (in Section 9.1 above) about the grievance mechanism, its importance, how grievances are resolved etc. These agencies will also be encouraged to submit any grievances received to the Project so that their resolution is ensured.
- Coordinate with the construction and operational phase Community Liaison Officer to track and resolve any grievances received relating to LRP including distribution of information to the PAPs within the specified timelines;
- Coordinate the timely provision of transitional support and livelihood restoration programmes;

¹² The qualified livelihood/social expert to be appointed will possess prior experience working on similar projects to international standards and/or best practice

- Monitoring and reporting on the status of implementing the LRP; and
- Submit monitoring and audit reports to the lenders in coordination with the Business Development Team.

9.2.5 HR Manager

- Prepare the individual PAPs compensation package agreements in coordination with the Business Development Team & Financial Department;
- Keep a record of all agreements between the Project Company and the PAPs including those signed with the various experts supporting the PAPs.

9.2.6 Grievance Manager

- Ensure that the Community Liaison Officer (CLO) has the necessary resources required to monitor the implementation of the LRP and meet other responsibilities and commitments described below and, in the SEP.
- Engage with PAPs and raise awareness about the grievance mechanism and support the resolution of grievances
- Approve all external communications prepared by the CLO before their release to PAPs

9.2.7 Community Liaison Officer

- Monitor the implementation of the LRP
- Ensure eligible PAPs sign written agreement once compensation has been received
- Prepare external communications associated with the LRP
- Engage with PAPs and raise awareness about the grievance mechanism and support in the resolution of grievances.

The Business Development Team will be responsible for setting up the LRP implementation team which will comprise of the E&S Implementation Manager, qualified livelihood/social expert, livestock breeding technician and other delivery partners. that will be engaged to ensure effective implementation of the LRP

The general/key hiring criteria that will be considered by the Business Development Team is outlined below:

- Previous experience in implementing livelihood restoration plans and/or activities;
- Previous experience working on similar development project type involving involuntary resettlement and community level livelihood restoration either locally or internationally;
- Relevant experience working with international requirements including EBRD PR5, IFC PS 5, ADB Safeguard Requirement 2 and other best practice standards;
- Familiarity with the local Azeri laws and regulations on land acquisition, economic displacement and compensation payment;

- Demonstrated ability to disseminate information through different communication channels suitable to both literate and illiterate PAPs;
- Knowledge and experience in working and coordinating with government agencies and development partners; and
- Experience in monitoring and reporting on the livelihood restoration plan implementation.

9.3 Independent E&S Consultant

In order to meet the monitoring requirements provided herein, ACWA Power/Project Company will appoint an Independent E&S Consultant to:

- Monitor the implementation process of the LRP and prepare monitoring reports on LRP implementation to be submitted to the lenders;
- Inform ACWA Power of any arising issues during the valuation process and the implementation and monitoring of the LRP;
- Provide feedback on any non-compliance with the implementation of the LRP and corrective action in the monitoring reports submitted to the lenders; and
- Provide recommendations on issues that require corrective actions in accordance with the lender's requirements.

It is noted that the lenders will appoint an Independent E&S Consultant to conduct the LRP close out audit.

9.4 Project Lenders

Project lenders' will be involved in the review of the LRP and their disclosure on their website. In addition, the lenders will periodically review the Project and implementation of the LRP to ensure compliance with their requirements.

10 IMPLEMENTATION SCHEDULE AND BUDGET

Implementation of the LRP will include the compensation to be paid to all the PAPs as well as the monitoring of this process. Compensation of the PAPs will be undertaken before the commencement of any construction works. In addition, construction works will not commence until disclosure and consultation with PAPs have been completed.

The implementation of this LRP will need to be scheduled as per the overall Project implementation schedule. ACWA Power will therefore ensure that:

Compensation is paid in full to all eligible PAP;

All the other entitlements listed in this LRP are provided to the PAPs; and

On-going consultations take place, the grievance redress mechanism remains implemented and monitoring during the implementation of the LRP continues.

10.1 Livelihood Restoration Plan - Schedule

The intended implementation schedule for the livelihood restoration plan is presented below. It is noted that the sequence may change or delays may occur due to unforeseen circumstances leading to adjustment in the implementation period. However, during the implementation stage, the PAPs will be notified immediately in case of any delays and reasons for such delays provided.

Table 10-1 LRP Preparation & Implementation Schedule

ACTIVITY	RESPONSIBILITY	TENTATIVE TIMELINE
Identification of PAPs	Perekeshkul Municipality, ACWA Power, 5 Capitals & Juru Energy	February, August, November 2021 and March 2022
Stakeholder Engagement	ACWA Power, 5 Capitals & Juru Energy	Consultations with PAPs and relevant stakeholders started in February 2021 and will continue throughout the Project implementation.
Preparation of the Livelihood Restoration Framework	5 Capitals and Juru Energy	1 st submission – 16 th February 2022 2 nd Submission following updates – April 2022
Social economic surveys of the PAPs	5 Capitals and Juru Energy	14 th March to 4 th April 2022
Issuance of cut-off date	5 Capitals and Juru Energy	Between 14 th March and 4 th of April
Submission of the Draft LRP	5 Capitals, Juru Energy	16 May 2022
Online public disclosure of the draft LRP	EBRD, ADB & ACWA Power's websites	May 2022

ACTIVITY	RESPONSIBILITY	TENTATIVE TIMELINE
Preparation of the Final LRP	5 Capitals, Juru Energy	May-August 2022
Preparation of the compensation package (excludes transitional support & livelihood restoration programs)	Valuation Officer, 5 Capitals, Juru Energy	July 2022
Presentation of the initial compensation package to the lenders	EBRD & ADB	August 2022
Lenders engagement on review of the LRP and the implementation schedule	EBRD & ADB	August - December 2022
Disclosure of the compensation package to the PAPs	ACWA Power, 5 Capitals, Juru Energy	Once LRP Report have been approved by lenders and finalised
LRP Implementation		
Signing of individual compensation agreements between ACWA Power & the PAPs	ACWA Power, PAPs	To start one month before Limited Noticed to Proceed (LNTP) and construction works
Payment of compensation to PAPs	ACWA Power	
Implementation of the livelihood restoration programs, hiring of experts, and provision of transitional support	ACWA Power	
Grievance redress	ACWA Power, 5 Capitals & Juru Energy	Ongoing
Monitoring		
Submission of quarterly and annual monitoring reports to the lenders	ACWA Power, Independent E&S consultant	1 st monitoring report to be submitted to the lenders by FC + 3 months and FC+12 months for annual report
External 3 rd party close-out audit	Independent E&S consultant	To be determined based on the agreement between ACWA Power & lenders on the required monitoring period

Table 10-2 LRP Implementation Schedule

TASK	FEB	AUG	NOV	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC		
	2021			2022											2023													
Identification of PAPs																												
Stakeholder Engagement																												
Preparation of the Livelihood Restoration Framework																												
Socio-economic survey of the PAPs																												
Issuance of cut-off date																												
Submission of the Draft LRP																												
Online public disclosure of the draft LRP																												
Preparation of the Final LRP																												
Preparation of the compensation package (excludes transitional support & livelihood restoration programs)																												
Presentation of the initial compensation package to the lenders																												
Lenders engagement on review of the LRP and the implementation schedule																												
Disclosure of the compensation package to the PAPs	Once LRP Report approved by lenders and finalised																											
LRP Implementation																												
Signing of individual compensation agreements between ACWA Power & the PAPs	One month before Limited Noticed to Proceed (LNTP) and construction works																											
Payment of compensation to PAPs																												

TASK	FEB	AUG	NOV	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
	2021			2022											2023												
Implementation of the livelihood restoration programs, hiring of experts, and provision of transitional support																											
Grievance Redress (during the project lifecycle)	To be available to the PAPs during the lifecycle of the Project including during the phased payment period.																										
Monitoring																											
Submission of 1 st quarterly monitoring reports to the lenders	1 st monitoring report to be submitted to the lenders by FC + 3 months																										
Submission of 1 st annual monitoring reports to the lenders	FC+12 months for annual report																										
External 3 rd party close-out audit	To Be Determined																										

10.2 LRP Implementation Cost

ACWA Power has advised that the costs for the implementation of the LRP and monitoring the implementation of the LRP will be provided at the implementation stage. These additional costs will include:

- Hiring of experts to provide training on livestock breeding;
- Independent E&S Consultant to conduct monitoring and auditing and;
- Any other administrative costs.

These costs will be captured in the first monitoring report submitted to the lenders and will be internal costs to ACWA Power.

10.3 LRP Contingency Fund

ACWA Power has a Corporate Social Responsibility (CSR) budget of 50,000 USD across both Khizi 3 and Area 1 WF Projects. A portion of CSR budget will be allocated as a contingency sum to cater for additional future costs that may arise during the implementation of the LRP.

10.4 Total Cost Associated with LRP Implementation

The summary of the total costs associated with the implementation of the LRP is provided in the table below.

Table 10-3 Summary of Total Costs Associated with LRP

ITEM	AMOUNT IN MANAT
Potential compensation to hired workers	2,070 AZN
Vulnerable households	15,465 AZN
Contingency fund	A portion of the CSR budget of 50,000 USD will be allocated as the contingency fund.
Transitional support	Internal costs to ACWA Power
Hiring of experts	TBC
Administrative costs	To be Determined
Monitoring costs	To be Determined
Livelihood Restoration Programme	To be Determined - Internal costs to ACWA Power
Total	17,535 AZN + other costs to be determined by ACWA
Note: The total amount will be updated once the administrative and monitoring costs have been confirmed.	

After the finalisation of the compensation packages additional consultations will be held with the PAPs to disclose the methodologies, payment timelines, etc. Thereafter, agreements (provided in Azeri) will be signed between ACWA Power and the PAPs. The agreements will

clearly state the total compensation amounts both in cash or in-kind and the specific payment timelines.

ACWA Power LRP implementation team will be responsible for contacting all the PAPs on the compensation payment requirements such as submission of legal identification details, bank accounts etc.

11 MONITORING AND REPORTING

Monitoring and reporting will form an integral component in the implementations of actions discussed herein and subsequently in the implementation of the LRP. The main objective for monitoring will be to assess the progress of implementing the LRP in regards to livelihood restoration outcomes, their impacts on the standards of living of the PAPs and whether the objectives of the LRP have been achieved and/or if any corrective actions are required. Key monitoring indicators will include the following as a minimum:

- Implementation of the LRP objectives and whether all the inputs committed in the LRP have been delivered;
- Number and agenda of public discussions and consultations scheduled and held on the LRP.
 - This must include the MoMs and signed attendance sheets.
- Assessment of the implementation of mitigation measures and their effectiveness and whether it is in accordance with Azerbaijan and lenders requirements;
- Number of compensation agreements;
- Number of PAPs who have received cash compensation and how the funds have been disbursed;
- The socio-economic status of PAPs measured against the baseline conditions before the economic displacement;
- Total area of grazing land reinstated at the Project site following construction phase i.e. for laydown areas, storage yards, etc.;
- Any changes to the productivity and mortality rates of livestock;
- Effectiveness of the Public Information Centre (PIC) and/ grievance mechanism
 - All PAPs are aware of the PIC/grievance mechanism and have received notice on its availability and how to access it.
 - Total number of grievances received and logged, cases resolved at Project level, how long it took to resolve them through the defined process as accepted by lenders.
 - Number of grievances received and why.
 - Number of grievances taken to court and the timeline taken to resolve the matter in court etc.
- Satisfaction level of PAPs.
 - Outcome of satisfaction survey conducted on all PAPs and their level of satisfaction with their compensation entitlements.

Note: ACWA Power/Project Company will appoint an Independent E&S Consultant to monitor the implementation process of the LRP and prepare monitoring reports on LRP implementation to be submitted to the lenders.

Once engaged, the Independent E&S Consultant will determine the process of monitoring and how results and corrective actions will be reported on.

Additionally, the outcome of measures implemented to demonstrate effective restoration of livelihoods will be tracked against the data collected during the socio-economic surveys. In particular, effort will be made to determine whether vulnerable PAPs have been able to effectively restore their livelihoods. The outcome indicators to monitor livelihood restoration will include:

- Number and % of PAPs with improved household income;
- Number and % of PAPs with improved housing conditions for example if households lacking personal computer, air conditioner, washing machine, satellite dish, etc. based on the survey conducted now have these amenities;
- Number and % of PAPs with increased monthly expenditure level; and
- Number of received open and closed grievances within the LRP implementation period.

11.1 Auditing

11.1.1 Internal Audit

The Project Company will conduct audits during LRP implementation. The objectives of the audits will include as a minimum:

- Review of the totality of mitigation measures implemented;
- A comparison of the implementation outcomes against the LRP objectives;
- Review of information disclosure and ongoing consultations with the PAPs;
- Review of the grievance mechanism;
- Status of compensation payments including implementation of livelihood restoration programs; and
- Corrective Action Plan listing outstanding actions necessary to meet the objectives (if required) including the budget and timeline.

11.1.2 Third Party Audit/Completion Audit

The Project Company will engage an independent organisation with expertise in livelihood restoration and compensation to undertake a completion/close out audit to verify that the implementation of the LRP has been effective in restoring the PAPs livelihood, standards of living and whether the objectives of the LRP has been achieved throughout implementation. The period when the completion/close-out audit will be undertaken will be determined between the lenders and the Project Company.

Prior to conducting the independent consultant and the lenders will agree on the terms of reference. The external auditing will establish the robustness of the internal monitoring and auditing and will include the following as a minimum:

-
- Reviewing and verifying of internal monitoring reports;
 - Comparison of the implementation outcomes against the LRP objectives;
 - Review the effectiveness of the grievance mechanism and verify that all grievances have been addressed;
 - Verifying that all compensation and entitlements in the LRP have been delivered to the PAPs
 - Verifying whether PAPs livelihoods have been restored to pre-Project levels or have been enhanced; and
 - Corrective Action Plan listing outstanding actions necessary to meet the objectives (if required) and the timeline.

APPENDIX A – TRANSLATED VERSION OF ONE OF THE SIGNED LLA



APPROVED BY:

The State Service on Property Issues within the
Ministry of Economy of the Republic of Azerbaijan

Nigar Alimova _____
Chairman of the Management Board of the State
Real Estate Cadastre and Registry Public Corporation

“ _____ ” _____ ” 2022

THE STATE SERVICE ON PROPERTY ISSUES WITHIN THE MINISTRY OF
ECONOMY OF THE REPUBLIC OF AZERBAIJAN

THE STATE REAL ESTATE CADASTRE AND REGISTRY PUBLIC CORPORATION
THE CADASTRE AND LAND MANAGEMENT DESIGN AND RESEARCH CENTER

LAND MANAGEMENT PLAN OF THE 141815 SQUARE METER LOCATION AREA FOR THE WIND TURBINES, SUBSTATIONS AND UNLOADING AREA TO BE TRANSFERRED FROM THE CATEGORY OF THE LANDS SPECIFIED FOR AGRICULTURAL USE TO THE CATEGORY OF LANDS SPECIFIED FOR INDUSTRY, TRANSPORTATION, COMMUNICATION, DEFENSE AND OTHER USES OUT OF THE MUNICIPALITY OWNED LAND PLOTS IN THE ADMINISTRATIVE TERRITORY OF PIRAKASHKUL-GOBUSTAN VILLAGE AND THE STATE OWNED LAND PLOTS IN ADMINISTRATIVE TERRITORY OF ABSHERON REGION LOCATED AT THE WINTER PASTURE LANDS “KECHILAR” AND “KHANJAN No. 7” THAT HAVE BEEN ENTERED INTO THE REGISTRY AS THE STATE PROPERTY LAND UNDER THE NUMBERS 308011029514 AND 308012015453

Basis: The letter No. 2101308254 of the Department on Organization of the State Management of Lands and Geodesy, dated 16.11.2021

BAKU - 2022

APPENDIX B – SAMPLE OF HOUSEHOLD QUESTIONNAIRE

SURVEY OF AFFECTED HOUSEHOLDS

Short information about Project:

Azerbaijan's National State Programme on the Use of Alternative and Renewable Energy Sources, 2016-2020, aims to increase the share of alternative and renewable energy sources to 20%. The Programme has identified wind as the preferred source of alternative energy with an estimated annual wind power capacity of 800 MW, based on International Energy Agency (IEA). This is due to the unlimited wind availability in Azerbaijan and the lower costs of the technology (IEA, 2020). ACWA Power signed an implementation agreement with the Ministry of Energy (MoE) in Azerbaijan for developing, building and operating a 240 MW wind power project. The wind project is expected to operate for 25 years on a Build Own Operate (BOO) basis according to the Power Purchase Agreement (PPA). The 240 MW wind project will be split and built on two (2) locations as follows:

- Khizi 3: Capacity up to 162.5 MW and will be generated using using 25 x 6.5 MW Wind Turbine Generators (WTG), located in Khizi region; and
- Area 1: Capacity up to 78 MW and will be generated using 12 x 6.5 MW WTGs, located at Absheron region

5 Capitals has appointed Juru Energy to conduct household survey to establish socio economic profile of potentially affected persons at the Area 1 project area and assess level of impact on their livelihoods. Therefore, we would like to invite you to take part in this survey.

The survey will take approximately 20 minutes of your time and you will be guided by a member of our team. All information provided by you will be strictly confidential and will not be shared with any third party.

You have the freedom to participate or decline taking part in this survey.

If you have any follow up questions or concerns, please let us know through:

Juru Energy	Elnur Mammadov: Email: mammadov_e@yahoo.com Mob:
Grievance Manager/In-Charge	Javid Alifli Phone: M + 994 50 241 80 30 Email: JAlifli@acwapower.com
PIC	Vusal Safarov Phone: +99455 260 08 09 Email: vusal.safarovv@gmail.com

QUESTIONNAIRE

I. General information

Project location	Area 1
Name of affected person/household member who use project site	
Name of household head	
Are you head of household? (if yes, indicate here)	
General information about household and its head	
Region/district	
Street	
Age	
Gender	
Nationality	
Vulnerability: disability/from low income family (if applicable)	
Refugee	
Internally displaced	
Does head of household suffer from any chronic illness?	
Does head of household receive any financial or social assistance?	
Marrital status of household head	
Current employment status of househod head	
Other sources of income (if applicable)	
Education of household head	
Contact details of household head	

General information about affected person	
Region/district	
Street	
Age	
Gender	
Nationality	
Vulnerability: disability/from low income family/refugee/Internally Displaced People (if applicable)	
Do you have / suffer from any chronic illness?	
Do you receive any financial or social assistance?	
What is your marital status?	
What is your current employment status?	
Other sources of income (if applicable)	
What is your education?	
Contact details of affected person	

Information about households members

No	Household member	Age	Education	Occupation	Any known disabilities (if applicable indicate the type	Notes
<u>1</u>						
<u>2</u>						
<u>3</u>						
<u>4</u>						
<u>5</u>						
<u>6</u>						
<u>7</u>						
<u>8</u>						
<u>9</u>						
<u>10</u>						
<u>11</u>						

AZE-ACWA POWER Area 1:Wind Project_ Absheron Region Azerbaijan_ Socio-economic survey of PAPs households

<u>12</u>						
<u>13</u>						
<u>14</u>						
<u>15</u>						

II. Accomodation and living conditions

2.1. Type of house you live in and its ownership?

Private house/ Lifetime rental (for private home)	
Rental house	
Other (please specify)	
Temporary accommodation	
Allocated housing by work	

2.2. What are houses built out of?

Clay (stone mixture)	
Brick	
Concrete slabs	
Reeds	
Other (please specify)	

2.3. Household utilities

#	Utilities	Yes	No	Notes
1.	Does your household have stable gas supply			
2.	Does your household have stable Supply with electricity			
3.	Does your household have stable Wastewater management (centralized/or decentralized system)			
4.	Do you experience a shortage of potable water?			
5.	Are you satisfied with the quality of local drinking water?			

AZE-ACWA POWER Area 1:Wind Project_ Absheron Region Azerbaijan_ Socio-economic survey of PAPs households

6.	Does your household have an access to potable water supply (centralized/or decentralized) /quality of potable water			
7.	How do you manage a waste in your household?			
8.	Does your household have a stable heating system ?			
9.	What kind of fuel do you use for heating your home and cooking?			

2.4. Does your household has a following:

#	Equipment	Yes	No	Notes
1.	Car			
2.	Motorcycle			
3.	TV			
4.	Satellite dish			
5.	Washing machine			
6.	Refrigerator			
7.	Air conditioner			
8.	Greenhouse			
9.	Personal computer			
10.	Mobile Phone			

III. Access to Public Services

3.1. Transportation:

Do you use public transport?

Yes _____

No _____

Other, please specify _____

3.1.1. If yes, how often do you use public transport? What type of public transport do you usually use?

<p><i>For refugee/IDP households only:</i></p>
--

Do you face difficulties in accessing public transportation?

If yes, please indicate

3.1.2. What type of transport do you use and how often?

--

3.3.3. Do you own a car for transportation of your livestock for annual use?

Yes _____

No _____

If yes, please specify the type

--

3.2. Education

3.2.1. Do you have school/pre-schools in your living community/district? How long it takes to reach this place?

<p><i>For refugee/IDP households only:</i></p> <p>Do you face difficulties in accessing public education for you children?</p> <p>If yes, please indicate</p>

3.2.2. Do you have higher education institutions in your living community/district? How long it takes to reach this place?

<p><i>For refugee/IDP households only:</i></p> <p>Do you face difficulties in accessing higher education for your family members?</p> <p>If yes, please indicate</p>

3.2.3. Do you have secondary specialized institutions (academic lyceums/colleges) in your living community/district? How long it takes to reach this place?

<p><i>For refugee/IDP households only:</i></p>

Do you face difficulties in accessing education for your family members?

If yes, please indicate

**3.2.4. Do you have any other training/educational centers in your living community/district?
How long it takes to reach this place?**

For refugee/IDP households only:

Do you face difficulties in accessing public education for your family members?

If yes, please indicate

3.3. Healthcare

**3.3.1. Do you have any public hospital/medical centers in your living community/district?
How long it takes to reach this place?**

For refugee/IDP households only:

Do you face difficulties in accessing public hospitals/medical centre for your family members?

If yes, please indicate

3.3.2. How often do you go to hospital/medical centre?

**3.3.3. Do you have any private hospital/medical centers in your living community/district?
How long it takes to reach this place?**

For refugee/IDP households only:

Do you face difficulties in accessing private hospitals/medical centre for your family members?

If yes, please indicate

**3.3.4. .If you have household members who need regular or special treatment do you use
local medical centers or you need to go to another specialized ones?**

For refugee/IDP households only:

Do you face difficulties in accessing specialized healthcare treatment for your family members?

If yes, please indicate

3.4. Food supply

3.4.1. If you are not head of household, please indicate the followings:

- Who is responsible for food supply in your household?

- Where food for household is bought?

- How often food for household is bought

Please answer to the questions if you are head of household

3.4.2. Where do you usually buy food for household?

For refugee/IDP households only:

Do you face difficulties in accessing markets/bazaars?

If yes, please indicate

3.4.3. How often do you buy food for household?

3.4.4. If you are not head of household, please indicate the followings:

- Who is responsible for supplying with clothes your household members?

- Where clothes for household are bought?

- How often clothes for household are bought?

Please answer to the questions if you are head of household

3.4.5. Where do you usually buy clothes for your household members?

<p><i>For refugee/IDP households only:</i></p> <p>Do you face difficulties in accessing markets/bazaars?</p> <p>If yes, please indicate</p>
--

3.5. Acces to loans

3.5.1. If you are not head of household, please indicate the followings:

- Have you taken a loan? If yes, please specify

- _____
- a) Why did you take a loan? _____
 - b) When did you take it? _____
 - c) Who took a loan from your family members? _____
 - d) For which purposes you took a loan? _____
 - e) What is the schedule of repaying a loan? _____
 - f) When do you expect the completion of repayment of loan? _____

3.5.2. Do you have banks in your community/district How long it takes to reach this place?

<p><i>For refugee/IDP households only:</i></p> <p>Do you face difficulties in accessing local banks?</p> <p>If yes, please indicate</p>
--

3.5.3. Have you taken a loan from banks?

Yes _____

No _____

If yes, please respond to the following:

- a) What is the size of loan? _____

AZE-ACWA POWER Area 1:Wind Project_ Absheron Region Azerbaijan_ Socio-economic survey of PAPs households

- b) When did you take it? _____
- c) Who took a loan from your family members? _____
- d) For which purposes you took a loan? _____
- e) What is the schedule of repaying a loan? _____
- f) When do you expect the completion of repayment of loan? _____

3.5.4. Are there any challenges, in particular gender based, associated with an access to the loan?

<p><i>For refugee/IDP households only:</i></p> <p>Was your status of refugee/IDP status affected on your access to loans?</p> <p>If yes, please indicate</p>

IV. Grazing activities

4.1. Please indicate for what purposes do you use Project site:

Grazing livestock only	
Collecting herbs only	
Grazing livestock and collecting herbs	
Other (please specify	

The following question for grazing activities (please proceed with below questions if project site is used both for grazing and herb collection):

4.1.1. Do you have Land lease agreement for grazing activities?

Yes _____

No _____

If yes, Can you provide the details

Who issued land lease agreement (LLA)	Date of issue	Expiry date

If no, do you face any challenges associated with your grazing activities considering the absense of LLA?
What are these challenges?

4.1.2. Please fill the table below:

No	Type of livestock	Number		Size of grazing area (approximately)
		Leased	Owned	
	Cows			
	Sheep			

AZE-ACWA POWER Area 1:Wind Project_ Absheron Region Azerbaijan_ Socio-economic survey of PAPs households

4.1.3. Where do you water your livestock (please indicate places) ?

At the Project site	
At home	
Other (please specify)	

4.1.4. What are the frequency/seasons of your grazing activities?

4.1.5. Do you use livestock for your household needs?

Yes _____

No _____

If no, please explain,

If yes, please specify,

For meat _____

For milk _____

Other, please indicate _____

4.1.6. Are these sufficient for supplying your household?

4.1.7. How much do you spend per month for keeping livestock (feeding, breeding etc) in your household?

a) Per month _____

b) Per year _____

4.1.8. Do you hire workers to assist with keeping livestock at your household?

Yes _____

No _____

AZE-ACWA POWER Area 1:Wind Project_ Absheron Region Azerbaijan_ Socio-economic survey of PAPs households

If yes, please specify,

Number _____

Employment contract _____

Are they seasonal or permanent? _____

What is their average salary? _____

Please provide their names and contact details

4.1.9. How often do you use veterinary services?

4.1.10. How much do you spend for these veterinary services?

4.1.11. How far are these veterinary centers from your house?

4.2. Herb collection

#	Land Use & Produce	Yes	No	Notes
1.	Land plot using			
	a) For additional income			
	b) only for household			
2.	Thyme			
3.	Spinacia			
4.	Other, please specify			

4.2.1. How often/at what seasons do you collect herbs

4.2.2. How many of herbs do you collect per

- One site visit _____ (in kg)
- For one season _____ (in kg)

4.2.3. What is your income from selling herbs

- Per month _____
- Per year _____

4.2.4. Where do you sell your herbs and what is the distance from your home?

4.3. Notification on land use

4.3.1. Did you receive notification on planned construction of Wind Farm?

Yes _____ No _____

4.3.2. Could you please share the dates and type of notification for termination of your land lease agreement as well as date of agreement termination? What organization issued notification and termination of land lease agreement?

4.3.3. Have you planted any crops or made additional constructions after the termination of your land lease agreement?

Yes _____ No _____

If "Yes" please specify when and number of them

V. Income and expenses

5.1. Please fill the table below regarding your incomes

No	Source of income	Amount (in AZN)	Notes (please indicate here if this type of income monthly or seasonally)	% from overall income
1.	Salary for employment			
2.	Selling herbs			
3.	Selling livestock			
4.	Selling poultry			
5.	Social assistance (if you receive any payments as low income family or for another reasons)			
6.	Pensions (applicable for old members of family), if applicable			
7.	Disability pensions, if applicable			
8.	Support received as refugee/IDP			
9.	Other types of income, please specify			

5.2. Please share overall monthly expenses

No	Source of expenses	Amount (in AZN)	Notes (please indicate here if this type of income monthly/ annually/seasonaly)	% from overall expenses
1.	Taxes (payment) for public utilities			
2.	Expenses for food			
3.	Education expenses			
4.	Medical treatment			
5.	Special medical treatment for members with disabilities			
6.	Loan payment, (if applicable)			
7.	Expenses for agricultural/grazing activities (if applicable)			
8.	Expenses for livestock activities (if applicable)			
9.	Transportation expenses			
10.	Other			

VI. Household assessment

6.1. How do you assess your household income?

Options	Response
Income is enough for purchasing all needs	
Income is enough for food, clothes and other daily needs	
Income is enough for essential needs – food, clothing, utility bills	
Income is enough only for food	
Income is not even enough for food	
Not able to assess	

6.2. How the recent quarantine affected your household income?

Options	Response
It didn't affect	
Profits decreased	
We lost all income sources	
Profits increased	

6.3. What are other risks that can negatively affect your family's income?

Options	Response
There are no risks	
Price reduction for agricultural products	
Low level of irrigation water	
High prices for consumer goods	
Low water level in the canal	
Quarantine extension	
Unemployment	
Difficult to answer	
Other (please specify)	

VII. Loses

7.1. If your land is partially affected by the project, what type of difficulties are associated with your further grazing activities?

- A) Limited movement to other parts of land
- B) Access to other places (farms, roads, other facilities)
- C) Difficulties with access to water supply for livestock farming
- D) Payments associated with land loans (if ny)
- E) There are no associated difficulties
- F) Other (please specify)

7.2. Do you think changing grazing/herb collecting area will impact to your household income?

Yes _____

No _____

If yes please specify to what extent (e.g., distace, water resources etc)

Please provide us with any other information or concerns you may have regarding the project

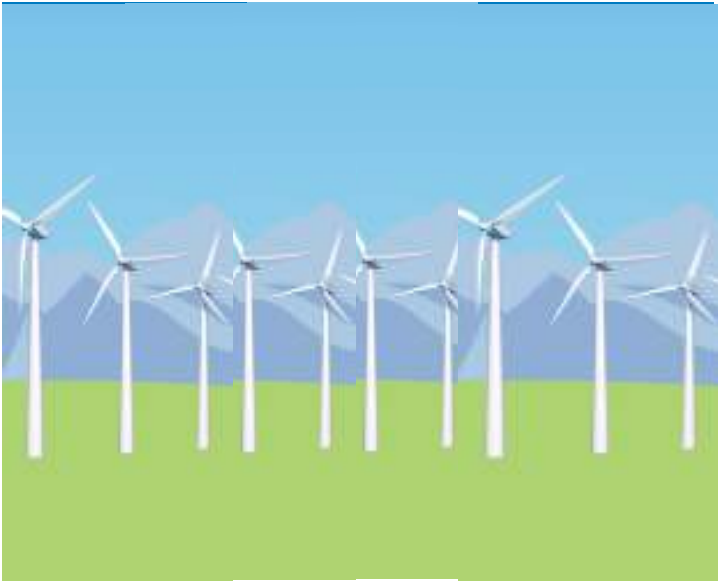
Thank you very much for your participation in the survey!

Interviewee _____

Interviewer _____

Date: _____

APPENDIX C – COMMUNITY LEAFLETS



AZERBAIJAN 240 MW WIND PROJECTS KEY UPDATES

ESIA - KEY UPDATES

Introduction

Azerbaijan 240MW Wind Farm incorporating wind turbines at two sites (Area 1 and Khizi 3) is being developed by ACWA Power. The Project Environmental and Social Impact Assessment (ESIA), which has been prepared over the past 2 years, has been undertaken by 5 Capitals (headquartered in Dubai) in association with local consultant EcoEnergy and Azerbaijani experts in ecology, archaeology and social issues relating to the community and land uses.

The purpose of the meetings is to disclose any updates to the ESIA since it was published on EBRD and ACWA Power websites on 20th May 2022. Here are some frequently asked questions.

Question 1: What are the key updates made to the Environmental and Social Impact Assessment (ESIA) Studies developed for the project and disclosed during the Public Disclosure meetings held in January 2022?

The project is seeking project finance from the European Bank for Reconstruction and Development (EBRD). To obtain financing, the ESIA reports have been submitted for review and approval by EBRD. Therefore, the ESIA Reports along with the other environmental and social (E&S) Management Plans have been updated to address feedback and comments received from EBRD and their technical advisors.

Key updates include the following:

a. Environment - Biodiversity: The following have been updated in ESIA reports:

- (i) A commitment to implement upfront shut down of the turbines when raptors including eagles, vultures and falcons are flying towards a wind turbine (the process is called "Shut-down on Demand").
- (ii) There is also a commitment to stop wind turbines during peak activity when the wind speed is slow (known as "Curtailment" – this will allow data to be collected to analyze the most effective measures to protect bats.
- (iii) Critical Habitat Analysis has been updated in relation to *No Net Loss* and *Net Gain* for qualifying species.

b. Environment – Batching Plant: A concrete batching plant may be located at the wind farm if ready mix concrete will not be sourced for the project. Exact location of plant is unknown at this stage however; will be located at a minimum distance of 500 m from any sensitive receptors in line with EBRD requirements. The key impacts, management and monitoring measures to reduce impacts from the operation of the batching plant have been included in the updated ESIA reports. – Across ESIA Report

c. Environment – Water Assessment: A quantitative assessment of water demand during the construction phase have been included. A water management plan will be developed for the construction and operational phases of the project which will include management controls to ensure limited impact on water resources used for the project. – Chapter 9 in ESIA

d. **Social - Supply Chain:** A supply chain risk assessment is being undertaken by Envision (wind turbine Supplier) for all suppliers that will be engaged in the Azerbaijan Wind Project. The assessment is to ensure the Project complies with EBRD requirements on supply chain and none of the companies are engaged in human right violations such as forced and child labour in their operations. The preliminary findings of the assessment have been included in the ESIA reports, which showed that none of the suppliers are engaged in child and forced labour violations. A Supply Chain Management Plan will be developed by Project Company to ensure its core suppliers will implement the recommendations from the Supply Chain audit assessment. – Chapter 16

e. **Social – Human Rights:** Human rights impacts have been integrated into the Labour and Working Conditions Chapter of the EISA which includes assessment of forced labour, child labour, and other human rights violations. Also, more information on human rights in Azerbaijan have been included. – Chapter 19 in ESIA

f. **Social – Livelihood Restoration Plan:** The Project will not result in any physical displacement or resettlement of people. The consultations and surveys undertaken as part of the ESIA and LRP have identified project areas are informally used for grazing and herb collection activities. Since the project will only involve economic displacement, a draft Livelihood Restoration Plan (LRP) has been developed for the project which outlines the objectives, principles and planned approach to livelihood restoration and compensation for economic displacement within the two project sites. ESIA have been updated to include the identified potentially affected people (PAP) and their socio-economic profile. – Chapter 16 of ESIA

g. **Social – Overhead Transmission Line (OHTL):** The OHTL is considered an 'Associated Facility' to the Project; as it is not being directly funded under the loan agreement with lenders. Land users along the OHTL have been identified based on a socio-economic survey undertaken by the local consultant. The ESIA assessment has been updated to include the landownership and land use status of the land along the route. A Public Disclosure meeting will also be undertaken to disclosure key information on OHTL and project. – Chapter 16 of ESIA

Azerenergi is the owner/developer of the OHTL, and will comply with national and applicable lenders requirements in order to ensure all E&S risks and impacts associated with the development of the OHTL are adequately assessed.

e. **Regulatory Requirements:** The ESIA studies have been updated to include Asian Development Bank (ADB) E&S requirements as a prospective Lender. – Across ESIA Report

Question 2: Where can I find copies of the updated documents?

The updated Environmental and Social Impact Assessment (ESIA) studies as well as supplementary ESIA package, inclusive of the updated Non-Technical Summary, Stakeholder Engagement Plan (SEP), Draft LRP and the Environmental and Social Action Plan (ESAP) have been disclosed on ACWA Power's and EBRD's websites on 20 May 2022 and can be access using the below links (in both English and Azerbaijani languages):

Websites:

EBRD: <https://www.ebrd.com/work-with-us/projects/esia/azerbaijan-absheronkhizi-wpp.html>

ACWA Power: <https://acwapower.com/en/projects/azerbaijan-wind-ipp/>

Hardcopies:

Hard copies are available at the Public Information Centres (PICs) established for the Projects at the following locations:

- Khizi 3 Wind Farm Project - Location of PIC Office: - Sitalchay village, Khizi region, Elekberov Elabbas street
- Area 1 Wind Farm Project - Location of PIC Office: Pirakashkul village of Absheron district, Mamedamin Rasulzade Street

Question 3: Did the projects obtain the national environmental approval from the Ministry of Ecology and Natural Resources?

Yes, the Projects have obtained the Environmental approval on 19 May 2022 from the Ministry of Ecology and Natural Resources (MENR). Updates made to the ESIA reports will be shared with MENR.

Contacts for Feedback

For any feedback or more information please contact the following:

COMPANY	CONTACT DETAILS
Project Company	ACVA POVER AZERBAYCAN RENEVABLE ENERGY
Grievance Manager/In-Charge	Javid Alifli Phone: M + 994 12 465 99 38 Email: JAlifli@acwapower.com
PIC	Vusal Safarov Phone: +99455 260 08 09 Email: vusal.safarovv@gmail.com
Feedback forms are also available at the PIC offices.	

Livelihood Restoration Plan (PLAN) - Updates

Question 4: What has been updated since the first disclosure of ESIA in January 2022?

A draft livelihood Restoration Plan (LRP) has been developed for each project which outlines the principles and planned approach to livelihood restoration and compensation to be provided to affected people to ensure no one is worse off. The draft LRP has been disclosed on EBRD and ACWA website as shown above.

Question 5: Who owns the land?

Khizi 3 WF project area: The land is municipality (Sitalchay Municipality) and state owned (Khizi District Executive Power). The total area of land that will be leased by the project is 22.59 ha and this covers the WTG footprints, substation and laydown area. The lease agreement is for 30 years.

Area 1 WF project area: The project area is municipality (Gobustan and Pirekeshkul Municipality) and state owned (Absheron District Executive Power). The total area of land that will be leased by the projects is 14.18 ha. The lease agreement is for 30 years.

The project areas have been assigned to the Ministry of Energy for leasing by a Presidential Order No. 2366 of 2020 and Cabinet of Ministers Order No. 720 of 2020. The Presidential and cabinet of Ministers Orders instruct the government to lease the state/public lands to the 240 MW Wind Projects.

Question 6: Who are the potentially affected people (PAP)?

The project sites are used for grazing and herb collection activities. The activities are informal and not carried out under any formal agreement with the Municipalities or Government. The identified PAPs include:

- Area 1: Project Affected Households (PAHs) from Pirekeshkul Village .
- Khizi 3: Farmers who currently graze at the project site
- The workers (herders) who are engaged by the farmers and household herders to graze livestock at the project site on their behalf (both projects)
- Herb collectors (both projects)

Question 7: Have consultations been undertaken with potentially affected people (PAPS)?

Yes consultations and surveys have been undertaken with PAPs as part of the LRP from April to May 2022. Further consultations will be undertaken to assess suitability of alternative land that will be provided during the construction phase and to disclose the entitlement and compensation packages that will be provided by the Project.

Question 8: Will the project involve any physical resettlement?

The Project development will not result in any physical displacement or resettlement of people.

Question 9: Can project areas be accessed during the construction and operational phases?

Access to the project areas will be temporarily restricted during the construction phase only for health and safety reasons. Such restriction will be limited to the project footprint (i.e. the turbine pad areas, access road, laydown areas, etc.) and for the duration of the construction period which is 18 months. Therefore, the impact on livelihood is expected to be very minimal and limited to the construction phase only.

Question 10: Will the project areas be fenced during operation?

During operation, the site will not be fenced and farmers and herders can access the areas.

Other Frequently Asked Questions

Question 12: Will the project provide job opportunities?

A Local Recruitment Plan will be developed for the Projects to ensure equal opportunities are provided to men and women from the local communities where possible. Project Company will liaison with the Employment Department of State Employment Agency who has offered to provide trainings required to enhance skill sets required for jobs required for the project.

Question 13: Employment- how many jobs will be available during construction-operation- and how they can apply for jobs? When/where?

Approximately 300 people will be employed by project company, main contractor and subcontractors during construction phase. During operation phase approximately 25-30 people will be hired by project company and its service providers.

All job openings will be published on relevant websites and in Project Information Centres. Also job announcements will be posted in public places in villages.

Question 14: Will the project provide social support to the local communities?

Yes the project will provide social support. The Project Company will consult with the local communities and municipalities to determine and agree the priority projects/ support required by the communities and the company can support with.

Question 15: How will the Project engage with the local communities and NGOs and how are complaints addressed?

The projects have established Public Information Centres (PIC) in the local communities to provide information about the Project to the members of the community, receive grievances and facilitate local recruitment for the Project. The PICs were established on 15 June 2021. The PIC also includes a grievance box, where complaints and feedback can also be received through this box.

The project has zero-tolerance policy to reprisals which will be reflected in the Code of Conduct and company policies once developed. We encourage all stakeholders to express their opinions without fear of retaliation.

Question 16: Any additional measures for disclosure to vulnerable groups?

Copies of the Non-Technical Summaries (NTSs), Stakeholder Engagement Plans (SEPs) and these leaflets have been distributed to vulnerable households in both local communities. Feedback and concerns can be also addressed to the contacts provided above.

Key project Information – Wind Farms Refresher

Project Rationale:

Azerbaijan aims to increase the share of alternative and renewable energy sources to 30% by 2030. Wind has been identified as the one of the preferred source of alternative energy with an estimated annual wind power capacity of 800 MW (based on International Energy Agency (IEA)).

Background to Projects:

ACWA Power signed an implementation agreement with the Ministry of Energy (MoE) in Azerbaijan for developing, building and operating a 240 MW wind power project. The wind project is expected to operate for 25 years on a Build Own Operate (BOO) basis according to the Power Purchase Agreement (PPA).

Project Locations:

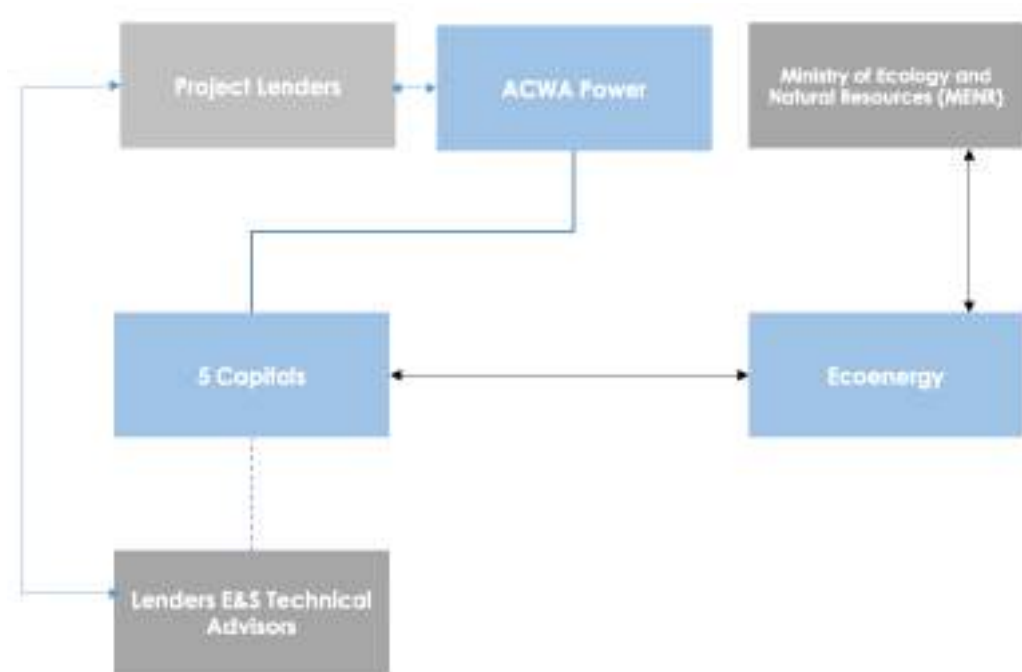
The 240 MW wind project will be split and built on two (2) locations as follows.

- Khizi 3: Capacity up to 162.5 MW and will be generated using 25 x 6.5 MW Wind Turbine Generators (WTG), located in Khizi region; and
- Area 1: Capacity up to 78 MW and will be generated using 12 x 6.5 MW WTGs, located at Absheron region.



ESIA Team and National Approval

ACWA Power appointed 5 Capitals Environmental & Management Consultancy (5 Capitals) to prepare the ESIA for the Project and they have appointed a local consultant Ecoenergy Ltd to undertake baseline surveys and consultations with the authorities and local communities and to obtain the relevant National regulatory permits. The ESIA's have been submitted to the Ministry of Ecology and Natural Resources (MENR) and have been approved on 19 May 2022.



Regulatory Compliance

The Environmental and Social Impact Assessment (ESIA) report has been prepared in accordance with the following:

- Azerbaijan national environmental regulations and standards;
- E&S requirements of prospective Lenders which includes the following:
- European Bank for Reconstruction and Development (EBRD) Environmental and Social Policy (2019) and Performance Requirements;
- European Union (EU) Directives (as relevant);
- Japan International Cooperation Agency (JICA) Guidelines for Environmental and Social Considerations (ESC);
- IFC Performance Standards (2012);
- IFC Wind farm Guidelines (2015);
- IFC EHS General Guidelines (2007); and
- Equator Principles IV (2020).

ACWA Power policy, which is to implement IFC E&S requirements on all its projects, including the Khizi 3 Wind Project.

Project Components:

The Project footprint will include the following:

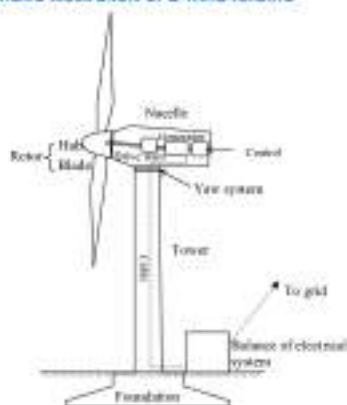
- Wind Turbine Generator (WTG) platforms (this includes foundation and crane pad area);
- Substation and any storage facilities;
- Trenches for underground cables; and
- Access roads.

The proposed WTG for both Wind Farms is the Envision Energy EN-171/6.5 Wind Turbine model. The EN-171/6.5 WTG has a rated power of 6.5 MW, hub height of 100m , 171m rotor diameter, and three (3) blades, horizontal axis, upwind direction, variable speed and pitch control.

Auxiliary facilities for the Project will include site entrance and security building; administration building, offices and amenities; central control room, warehouse and stores, security, lighting; other mobile plant and vehicles; access roads; and electrical connections (underground) and substation.



Schematic illustration of a wind turbine



Source: https://www.researchgate.net/figure/5-Main-components-of-a-horizontal-axis-wind-turbine_fig0_235340138

The basic components of a wind turbine include the following components:

- **Blades:** The blade is made of glass fibre reinforced polymer (GFRP) and it is equipped with a lightning protection system.
- **Pitch system,** the pitch bearings are used between the hub and blades to transfer loads from blades to the hub.
- **Hub,** which is the central point at which the three blades are connected to the nacelle.
- **Nacelle,** houses the generator and gearbox.
- **Brake system,** which the primary braking method for the WTG & aerodynamic braking which is realised by three-blade pitch control.
- **Tower,** main supporting structure of wind turbine.
- **Electric System,** comprises of generator, converter, transformer, electrical cabinet, power cable, pitch control, etc.:
 - **Generator,** which converts mechanical energy into electricity;
 - **Converter;**
 - **Transformer,** each wind turbine will be provided with one transformer to connect to the grid

Associated Facilities

An Overhead Transmission Line (OHTL) will connect both Wind Farms (Khizi 3 and Area 1 WFs) and to the national grid. The responsibility for developing the OHTL lies with Azerenergi Open Joint Stock Company (Azerenergi), the Project off-taker and as such, the OHTL is considered an 'Associated Facility' to the Project; as it is not being directly funded under the loan agreement with lenders.

The OHTL is split into three (3) lines as follows:

- 220 kv Khizi 3 - Yashma OHTL: This OHTL will connect the Khizi 3 WF substation (SS) to the existing Yashma SS and is approximately 20 km long (red line in Figure below) – assessed as part of Khizi 3 ESIA report;
- 220 kv Khizi – Pirakashkul OHTL: The OHTL line that will connect Khizi 3 and Area 1 WFs SS and is approximately 30 km long (yellow line in Figure below) - assessed as part of Khizi 3 and Area 1 ESIA report; and
- 220 kv Pirakashkul – Gobu OHTL: The OHTL line that will connect the Area 1 WF SS to the existing Gobu Power Station and is approximately 30 km long (Green line in Figure below)- assessed as part of Area 1 ESIA report.



APPENDIX D – SUMMARY ON OHTL

OHTL Addendum

It was agreed with EBRD on 28 June 2021 that a high-level assessment of potential OHTL impacts to be included as part of the ESIA studies carried out for the Azerbaijan Wind Projects (Khizi 3 and Area 1 WFs), therefore, 5 Capitals carried out the necessary environmental and social baseline surveys required to establish any risks associated with the development of the OHTL as part of the ESIA studies and a preliminary assessment has been included in the ESIA Report. The surveys completed and included in this ESIA include:

- Noise;
- Soil and Water Quality;
- Terrestrial Ecology;
- Socio-economic survey;
- Bird Surveys;
 - Surveying Existing OHTL to Record Dead Birds;
 - Breeding Survey; and
 - Autumn Breeding Report.
- Bat Survey; and
- Archaeology Survey.

Outcome of the surveys and assessment is provided in the ESIA reports. A summary of the socio-economic survey and land use conditions are provided below.

OHTL Location

OHTL will connect both Wind Farms (Khizi 3 and Area 1 WFs) and to the national grid. The responsibility for developing the OHTL lies with Azerenergi Open Joint Stock Company (Azerenergi), the Project off-taker and as such, the OHTL is considered an 'Associated Facility' to the Project; as it is not being directly funded under the loan agreement with lenders.

The OHTL is split into three (3) lines as follows:

- 220 kv Khizi 3 - Yashma OHTL: This OHTL will connect the Khizi 3 WF substation (SS) to the existing Yashma SS and is approximately 20 km long (red line in Figure below) – assessed as part of Khizi 3 ESIA report;
- 220 kv Khizi – Pirakashkul OHTL: The OHTL line that will connect Khizi 3 and Area 1 WFs SS and is approximately 30 km long (yellow line in Figure below) - assessed as part of Khizi 3 and Area 1 ESIA report; and
- 220 kv Pirakashkul – Gobu OHTL: The OHTL line that will connect the Area 1 WF SS to the existing Gobu Power Station and is approximately 30 km long (Green line in Figure below)- assessed as part of Area 1 ESIA report.

Figure 1 OHTL Location Map



The OHTL routes and proposed coordinates are shown in the tables below.

Table 1 220 kv Khizi 3 - Yashma OHTL

No	X	Y
1	360709.00	4507503.00
2	362219.00	4508389.05
3	367852.00	4505699.00
4	370677.00	4504712.00
5	371403.00	4503357.00
6	372086.00	4503189.00

Table 2 220 kv Khizi – Pirakashkul OHTL

No	X	Y
1	372431.00	4490635.00
2	372889.00	4491095.00
3	373287.00	4495853.00
4	368789.00	4505046.00
5	364862.00	4507040.00
6	360855.00	4507521.00

Table 3 220 kv Pirakashkul – Gobu OHTL

No	X	Y
1	386910.00	4474746.00
2	386609.00	4474792.00
3	386282.00	4475416.00
4	385269.00	4476276.00
5	384478.00	4477650.00
6	379471.00	4479483.00
7	376238.00	4479090.00
8	375868.00	4479367.00
9	374326.00	4485825.00
10	375122.00	4487324.00
11	375586.00	4490640.00
12	372458.00	4490614.00

Land Ownership

Based on information provided by Azerenergi, 'in accordance with the requirements of the "Rules for the protection of electrical networks with a voltage of more than 1000 volts" approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan dated 10.06.2005, No 103, "Land plots included in the protection zones of electricity networks remain in the use of the land owner or user and can be used by them for agricultural and other purposes in compliance with the requirements of these Rules".

Based on the socio-economic survey undertaken for the OHTL, 66% of land crossed by the OHTL is State owned and 34% is Municipality owned. This is based on consultations undertaken by local consultant with representatives of state regional agencies including Absheron Regional Agency, Khizi Committee for Property Issues, Sumgayit City Committee for Property Issues, and local municipalities of Cayli and Sitalchay villages. None of the plots crossed by the OHTL are privately owned. The table below provides a summary of land ownership status along the OHTL route. At this stage the development of the OHTL will not involve expropriation of land for the OHTL sites.

Table 4 Land Ownership Status along OHTL Route

ID	LAND OWNERSHIP	OHTL STRETCH	LENGTH (APPROXIMATE IN LENGTH, KM)	OWNER ENTITY	LAND STATUS	LAND USE
1	Municipal	1	0.33	Gobu settlement	Land rented by state camel farm for grazing	Land provides grazing for livestock ¹
2	Municipal	1	4.38	Gobu settlement	No land lease	Land provides grazing for livestock
3	State	1	4.90	Absheron region Executive Power	No land lease	Land provides grazing for livestock
4	State	1	2.93	Absheron region Executive Power	No land lease	Land provides grazing for livestock
5	State	1	1.50	Absheron region Executive Power	No land lease	Land provides grazing for livestock
6	State	1	1.65	Absheron region Executive Power	No land lease	Land provides grazing for livestock
7	Municipal	1	1.25	Pireshkul village	No land lease	Land provides grazing for livestock
8	State	1	0.04	Absheron region Executive Power	Land rented by Farmer/Private enterprise	Adult pine trees
9	State	1	0.32	Absheron region Executive Power	Land rented by Farmer/Private enterprise	Almond orchard A
10	Municipal	1	0.10	Pireshkul village	Land rented by Farmer/Private enterprise	Almond orchard B ²
11	Municipal	1	2.60	Pireshkul village	Land rented by Farmer/Private enterprise	Almond orchard C

¹ Generally, in Azerbaijan, Municipal lands not in use are open for household members to graze their livestock. Livestock grazing on Municipal land can be undertaken by members of a community in proximity to the Municipal land. This is applicable for all lands that provide grazing for livestock.

² Almond Orchard B and C are owned by the same farmer/Private enterprise. While Almond orchard A & D are owned by 2 different farmers/private enterprises.

ID	LAND OWNERSHIP	OHTL STRETCH	LENGTH (APPROXIMATE IN LENGTH, KM)	OWNER ENTITY	LAND STATUS	LAND USE
12	Municipal	1	0.13	Pireshkul village	Land rented by Farmer/Private enterprise	Almond orchard D
13	Municipal	1	0.11	Pireshkul village	Land rented by Farmer/Private enterprise	No development or use; land provides grazing for livestock
14	Municipal	1	1.65	Pireshkul village	Not applicable	Land provides grazing for livestock
15	Municipal	1	0.28	Pireshkul village	Land rented by Farmer/Private enterprise	Land provides grazing for livestock
16	Municipal	1	5.10	Pireshkul village	Not applicable	Land provides grazing for livestock
17	State	2	12.30	Absheron region Executive Power	Not applicable	Land provides grazing for livestock
18	State	2	0.87	State Land Fund	Land rented by Farmer/Private enterprise	Partially cultivated grazing land
19	State	2	0.10	State Land Fund	Land allocated to Baku - Mozdok gas pipeline	Pipeline safety zone for its right of way; Land provides grazing for livestock
20	State	2	0.95	State Land Fund	Land rented by Farmer/Private enterprise	Land provides grazing for livestock
21	State	2	1.78	State Land Fund	Not applicable	Land provides grazing for livestock
22	State	2	0.65	State Land Fund	Land rented by Baku State University (BSU)	No development or use by BSU; Land provides grazing for livestock
23	State	2	1.10	State Land Fund	Land rented by "PERM" Company – by Farmer/Private enterprise	No development or use by Company; Land provides grazing for livestock
24	State	2	4.43	State Land Fund	No land lease	Land provides grazing for livestock
25	Municipal	2	2.90	Sitalchay village	No land lease	Land provides grazing for livestock

ID	LAND OWNERSHIP	OHTL STRETCH	LENGTH (APPROXIMATE IN LENGTH, KM)	OWNER ENTITY	LAND STATUS	LAND USE
26	Municipal	3	2.90	Sitalchay village	No land lease	Land provides grazing for livestock
27	State	3	6.14	State Land Fund	No land lease	Land provides grazing for livestock
28	State	3	0.87	State Land Fund	No land lease	Land provides grazing for livestock
29	State	3	0.35	State Land Fund	Land allocated to Military Base	Occupied by military personnel & buildings
30	State	3	1.00	State Land Fund	No land lease	Land provides grazing for livestock

Note

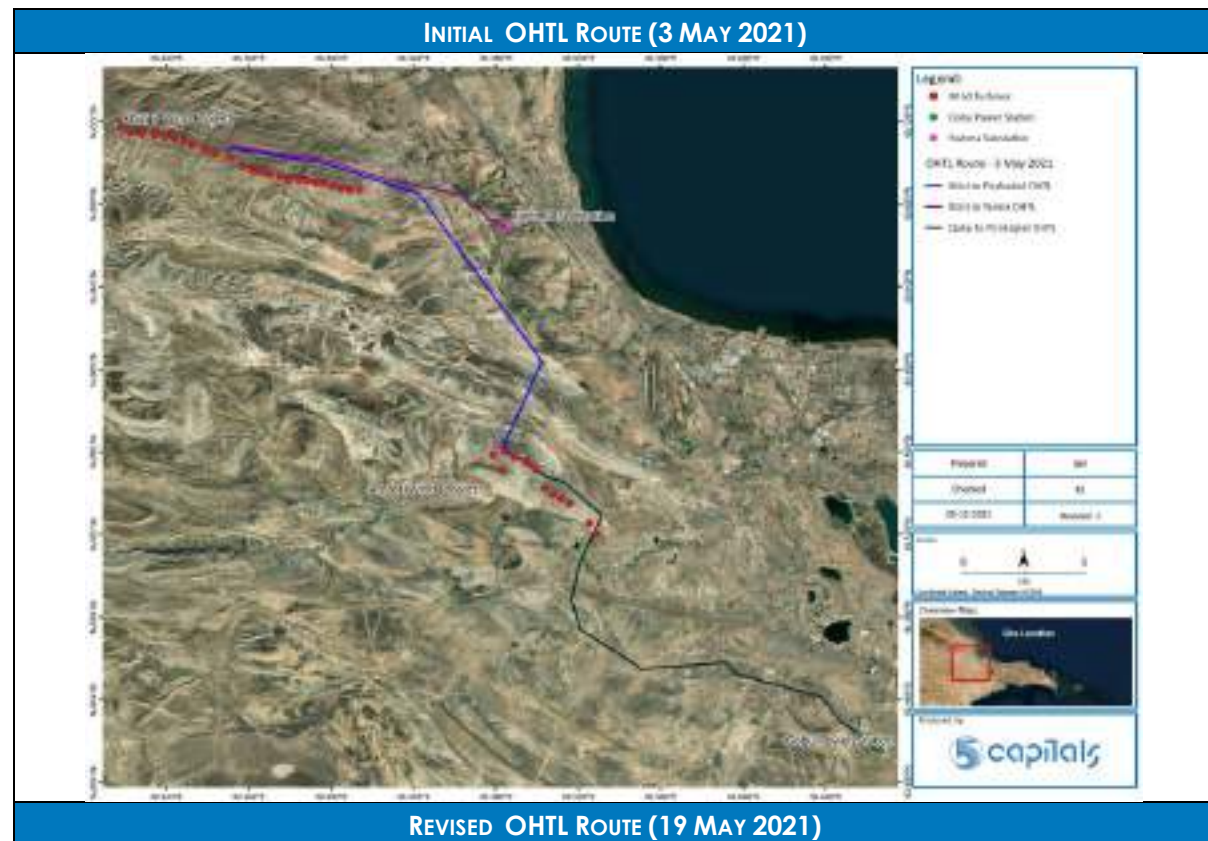
- **Stretch 1** = Perekeshkul -Gobu OHTL route
- **Stretch 2** = Khizi – Pirakashkul OHTL route
- **Stretch 3** = Khizi – Yashma OHTL route
- Any land user identified on the land with 'No Land Lease' land status are informal land users

The 330/220/110 kV "Gobu" Power Plant and 330/220/110 kV "Yashma" substations are located on land owned by "Azerenergy" OJSC. This will include installation of one (1) additional unit of 220 kV slot in the 220 kV open switchgear of 330/220/110 kV "Gobu" Power Plant and one (1)

Changes in OHTL Route

Figure below shows the changes in the OHTL route.

Figure 2 Changes in WTG Layout





CURRENT OHTL ROUTE (26 JUNE 2021)



The changes were based on the following:

1- Initial Identification of Key Environmental Risks

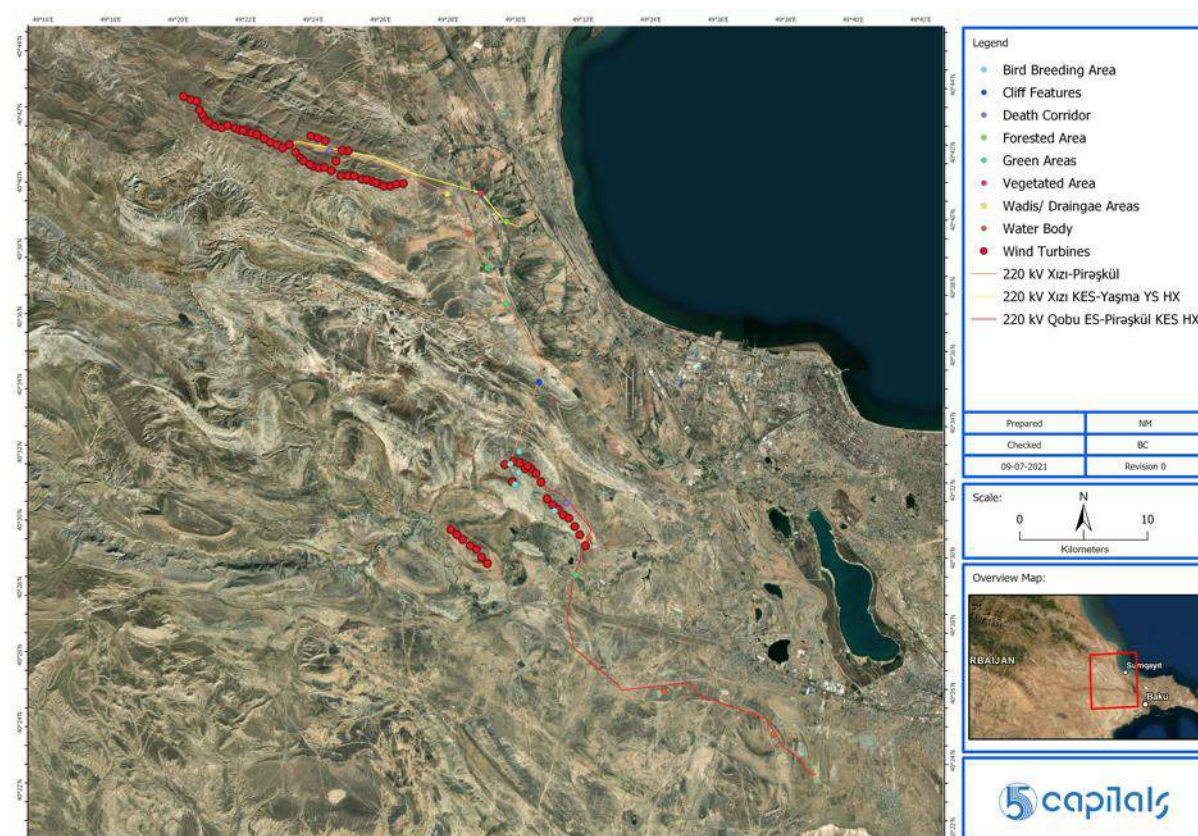
A review of the preliminary OHTL route and surrounding areas was carried out by 5 5Capitals using satellite imagery. Table and Figure below present the initial risks identified along the route. The key risk areas identified along the OHTL route can be summarised as follows:

- Drainage, green and water features: More bird flight activity;
- Valley or wadi between cliffs: Potential paths for migrating birds;
- On top of cliffs: Raptors and other soaring birds getting thermals; and
- Cliff area: Could have nesting birds especially Raptors.

Table 5 Key Risks Identified along the preliminary OHTL route (provided 3 May 2021)

POINT	OHTL	Risks
A	Over dry Lake – two lines	Two lines increases risk of electrocution and collision (creates Death corridor)– also includes the WTGs
B	Crossing over green/ agriculture fields	More bird flight activity: Increases potential of Collision and Electrocution with Birds. Open agriculture fields are usually used by Raptors
C	Forested area (trees)	More bird flight activity and : Increases potential of Collision and Electrocution with Birds
D	Wadi/ Drainage	More bird flight activity and Potential paths for migrating birds.
E	Water Canal	Canal might not have much bird life.
F	Green Area	More bird flight activity: Increases potential of Collision and Electrocution with Birds
G	Cliff Features	Requires survey this area to estimate risk. Cliff areas could have nesting areas esp. Raptors.
H	OHTL Line and WTGs	Cumulative risk increases with OHTL and WTGS
I	Water bodies	More bird flight activity: Avoid water bodies
J	Bird Breeding/ Colonies based on Breeding Surveys carried out for Khizi 3 and Area 1 Wind Farms	More bird activity

Figure 3 Initial Risks Identified along the Preliminary Route



Note: Map includes the previous WTG layout (April 2021).

Based on the initial / desk study review, Azerenergi revised the OHTL to avoid where possible the risks identified above.

2- Site Reconnaissance Survey

After, a site reconnaissance was carried out between 6 and 12 May 2021 along the OHTL route (provided 19 May 2021) and immediate surroundings. The key tasks included:

- Review of satellite imagery of OHTL route and surrounding areas;
- Site visit of representative areas along the OHTL route; and
- Preliminary identification of environmental and social conditions and any constraints along the route and immediate surrounding.

The site reconnaissance survey identified key environmental and social receptors along the route (outcome of the survey is provided in Section 2.5.2 above). Based on the outcome of the survey, Azerenergi revised the route to avoid, where possible farms and any other identified human and ecological receptors.

3- Outcome of Baseline Surveys

The outcome of the baseline surveys will also influence the final layout and route of OHTL by Azerenergi.

Outcome of Socio-economic Survey along the OHTL Route

BACKGROUND

Based on site visits undertaken along the OHTL routes in May and November 2021 and review of satellite imagery, various land users were identified within 1km of the OHTL route. Land users include farms, local businesses (including a greenhouse farm, almond orchard and state dog shelter) and military base.

A socio-economic survey was undertaken from 28th to 30th November 2021 and included representatives of the local farms, greenhouse farms, almond orchard and dog shelter. A total of eight (8) representatives were interviewed during the socio-economic survey.

The table below provides a summary of the land users identified within 1km of the route and the number of land users surveyed.

Table 6 Land Users Surveyed along the OHTL Route

LAND USER		OVERALL NO. OF LAND USERS ALONG THE ROUTE	NUMBER OF SURVEYED LAND USERS
Farms		6	5
Local Business	Almond Orchard	1	1
	Dog Shelter	1	1
	Greenhouse Farm	1	1
	Abandoned workshop	1	0
Military Base		2	0

Note: representatives of the military base and one of the farms were approached for the survey but they expressed no interest to participate in the interview

During the survey, information on the economic status, infrastructure and services, traffic and transportation, income and the presence/absence of vulnerable groups were obtained from the land users. The figure below shows the location of land users along the OHTL route.

Figure 4 Land Users Along OHTL Route

A- Locations of Farm F01, Military base M01 and Almond orchard B01



B - Locations of Dog shelter D01, Greenhouse Farm B02 and Farm F02



C- Locations of Farms F03, D02, F04, F05, F06 and M02



It should be noted that the socio-economic survey only focused on land users within 1km of the OHTL as the location of the pylon/tower is unknown at this stage. Based on this, the survey did not include all land owners along the OHTL route as identified in Table 4 above as some of these land owners/users are not within 1km of the OHTL.

Table 7 Land Users within 1km of the OHTL

ID	LAND USE TYPE	APPROXIMATE DISTANCE TO THE OHTL
F01	Farm	110m from the Pereleshkul -Gobu OHTL route
M01	Military Base	180m from the Pereleshkul -Gobu OHTL route
B01	Almond orchard	The Pereleshkul -Gobu OHTL route crosses this almond orchard for about 0.5km and runs at a distance of approximately 50m from closest boundary of the orchard with productive almond trees.
D01	Dog shelter (State owned)	80m from the Pereleshkul -Gobu OHTL route
B02	Greenhouse farm	80m from the Pereleshkul -Gobu OHTL route
F02	Farmstead	110m from the Khizi – Pereleshkul OHTL
B03	Abandoned workshop	70m from the Khizi – Pereleshkul OHTL
F03	Farmstead	50m from the Khizi – Pereleshkul I OHTL
D02	Baku-Mozdok Gas Pipeline	The Khizi – Pereleshkul OHTL crosses operational gas pipeline owned by State Oil Company of Republic of Azerbaijan (SOCAR)
F04	Farm	110m from the Khizi – Pereleshkul OHTL
M02	Military Base	The Khizi – Yashma OHTL route crosses the eastern plot of the military base
F05	Farm	15-20m from the Khizi – Yashma OHTL
F06	Farm	80m from the Khizi – Yashma OHTL

Plate 1 Compilation of Photographs during OHTL Socio-economic Survey

	
Dog Shelter	Representatives of one of the Farmstead

POPULATION

According to the socio-economic survey undertaken, a total of 50 people are living in the five (5) farms surveyed and 16 workers are working for the three (3) local businesses surveyed (almond orchard, dog shelter and greenhouse farm). None of the residents of the farms are refugees, IDPs, or chronically sick/disabled. There is however one elderly family member residing in one of the farms (F06) and this person is a pensioner.

Of the 16 workers working for the local businesses, four (4) work at the almond orchard, six (6) work at the dog shelter and another six (6) work at the greenhouse farm. Two (2) of the almond orchard workers are Internally Displaced Persons (IDPs) that got displaced as a result of conflict with Armenia in Karabakh region of the Republic of Azerbaijan. All the six (6) workers at the greenhouse farm are refugees who fled Armenia after 1988 and now residing in Perekeshkul village.

The tables below show the distribution of persons living in the farms and number of individuals working for the local businesses.

Table 8 Family Size in the Farms

ID	NUMBER OF INDIVIDUALS IN FAMILY	ADULTS		CHILDREN	
		MALE	FEMALE	MALE	FEMALE
F02	5 families comprising 10 adults and 5 children	4	6	2	3
F03	1 family comprising 4 adults and 2 children	2	2	2	-
F04	2 families comprising 11 adults and 2 school children	6	5	1	1
F05	2 family comprising 7 adults and 3 children	4	3	2	1
F06	1 family comprising 1 elderly, 3 adults and 2 children	2	2	-	2

Note: the owner of F01 declined to participate in the interview as he had no interest in the socio-economic process hence the reason why only five (5) farms were surveyed as opposed to six (6) farms as outlined in Table 7 above

Table 9 Number of Individuals Working for Local Businesses

ID	DESCRIPTION OF STAKEHOLDER	NUMBER OF WORKERS
B01	Almond orchard	4
D01	State dog shelter	6
B02	Greenhouse farm	6

ECONOMIC STATUS

According to the survey, all the representatives of the farm reported that livestock farming or selling of livestock and dairy products is their primary income with only one farmstead representative (F04) indicating that he has a secondary source of income which is from raising livestock owned by other individuals. The monthly income of the representatives of the farm ranged from 300AZN to 2500AZN. The representatives of the farm did not indicate they hire workers to support them in livestock farming or sale of livestock and dairy products.

The table below provides a summary of the economic activities of the farms.

Table 10 Economic Activities and Monthly Income of the Farms

ID	SCALE OF ACTIVITIES	SOURCE OF INCOME	INCOME (MONTHLY IN AZN)
F02	Livestock farming: approximately 100 cows and 2000 sheep	Primary income from raising livestock owned by other individual.	300
F03	Livestock farming: approximately 20 cows, 400 sheep and 100 goats.	Primary income from selling livestock owned by family and dairy products. Secondary source of income from raising livestock owned by other individual.	1000
F04	Livestock farming: approximately 50 cows and 800 sheep; Municipal land for cultivation rented: 200ha	Primary income from selling of livestock and dairy products, and cultivation. No secondary income.	2500
F05	Livestock farming: approximately 22 cows, 500 sheep and 120 goats; Municipal pasture land sized for 700 livestock is rented	Primary income from selling of livestock and dairy products. No secondary income.	300
F06	Livestock farming: approximately 20 cows and 124 sheep; Municipal pasture land rented: 120ha in Surabad located approximately 5km east of Sitalchay	Primary income from selling of livestock and dairy products No secondary income.	1000

A worker at the almond orchard indicated that his monthly income is between 500AZN and 600AZN, the manager of the greenhouse reported that his monthly income is between 700AZN and 800AZN while a worker of the dog shelter indicated that his monthly income is 400AZN.

ACCESS TO HEALTHCARE/ HEALTH SERVICES

Based on responses received during the survey, there are no health care centres or medical facilities in the OHTL area. Representatives of the farm indicated they go to Mushfigabad (farms F02 and F03) or Sumgayit city (farms F04, F05 and F06) if they require medical assistance.

PUBLIC SERVICES

All interviewed persons from the farm and local businesses indicated that they have access to electricity which is supplied through the existing national grid.

For the farm, water is purchased and supplied by tankers to the farms F02, F04, F05 and F06 while farm F03 is supplied with water from the Semur-Absheron irrigation channels.

The local businesses (dog shelter, almond orchard and greenhouse) are supplied with water from the water distribution network.

There is no municipal sewage system. Sewage waste from toilets, shower and washing is collected in a sump and/or directly discharged into open drainage ditches. There is also no solid waste management system near or at the farm and local businesses as open burning of waste is undertaken to reduce the quantity of dumped waste and odour emanating from the waste.

TRAFFIC AND TRANSPORTATION

The OHTL route crosses the Baku-Shamakhi highway that passes to the south of Perekeshkul village. This section of road is one of main highways in Azerbaijan. It is part of the main transportation route northwest from Baku to Shamakhi and to Balakan at the Georgian border and west-northwest from Baku to Boyuk Kesik at the Georgian border.

Preliminary Assessment

Based on the data collected during the socioeconomic survey, the land along the OHTL is mainly state and municipality owned. None of the land is privately owned. Azerenergi will follow the national requirements during the development of the OHTL. Based on "Rules for the protection of electrical networks with a voltage of more than 1000 volts" approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan dated 10.06.2005, No 103, *"Land plots included in the protection zones of electricity networks remain in the use of the land owner or user and can be used by them for agricultural and other purposes in compliance with the requirements of these Rules"*. Therefore, the development of the OHTL will not involve any land expropriation in line with local regulations.

Farming, herding and military activities were identified along the route and may experience short term disruption during tower/pylon installation at the impacted receptors.

At this stage, the exact location of the pylons is not known as the design of the OHTL has not been finalised. If pylons are located within the Almond, Military and any grazing areas, it is anticipated that any disruption in their activities will be temporary and will be for a short period.

It should be noted that the design and route provided for the OHTL has not been finalised, therefore, the outcome of the ESIA and socio-economic survey will influence the final layout and route of OHTL by Azerenergi to minimise temporary restrictions on land use and livelihood impacts.

Mitigation Measures

OHTL

- Azerenergi to review OHTL alignment and avoid identified receptors based on the outcome of the ESIA and socioeconomic survey where possible to minimise temporary restrictions on land use and livelihood impacts.
- Where this cannot be avoided, Azerenergi to provide compensation based on national laws and requirements with appropriate consultation
- ACWA Power to encourage Azerenergi to adopt EBRD requirements on Land Acquisition, Involuntary Resettlement and Economic Displacement.
- Prior to construction, Azerenergi shall engage with identified user to inform them of the start of construction and the specific locations
- Azerenergi to avoid where possible almond orchard, military base and other identified land users. Where possible, the OHTL developer will seek to install OHTL towers outside the almond orchard and avoid identified receptors.

- Where OHTL towers are installed at the almond orchard, the OHTL developer will ensure that construction areas are clearly demarcated and signs put in place so farmers and other orchard users/workers do not trespass into active construction areas.
- Where OHTL towers are installed at the almond orchard, farmers and other users/workers at the almond farm will have access to a grievance mechanism.
- Where possible, ACWA Power will monitor progress during the development of the OHTL.

Public Disclosure Meeting undertaken for OHTL

As requested by EBRD, a public disclosure meetings was undertaken on 30 June 2022 at Perekeshkul Village - office of the Project Information Centre (PIC) to disclose the high level environmental and social assessment undertaken for the OHTL as part of the ESIA Wind Projects. The objectives of the meetings were to:

- Publicly disclose the results of preliminary assessment undertaken for the development of the OHTL as part of the ESIA studies for Azerbaijan Wind projects;
- Give an opportunity for affected Stakeholders/ land users and interested parties to comment on the ESIA findings; and
- To provide project information on:
 - Purpose, nature, and scale of the project;
 - Duration of proposed project activities (construction and operation);
 - Risks, impacts and relevant mitigation measures and benefits; and
 - Public feedback forms and grievance mechanism.

Meeting announcement and invitations were sent out prior to meetings and announced in the press. Invitations were also issued to identified land users along the OHTL route. Feedback forms were distributed during the meeting.

Table 11 Public Disclosure Meeting – Participants

	DETAILS
Dates	30 June
Venue	Perekeshkul Village - PIC
No. of Participants (Total)	15
Breakdown by Gender	Women: 3 Men: 12
Participants	- 5 Capitals ESIA team - Ecoenergy team (local consultant)

	DETAILS
	<ul style="list-style-type: none"> - Land users (farmers and representative of Baku State University) - Representative of Azerenergi (offtaker)

Plate 2 Public Disclosure Meeting – Compilation of Photographs



Feedback received included the following:

Question	Answer
The OHTL will cross a 90 Ha plot that is leased by the Baku State University (BSU). This may reduce the value of this land and also have other adverse impacts. Is there an action plan in place in this regard?	Project Company: The construction of electricity transmission lines is financed entirely by the state, more precisely by "AzerEnergy". The location of the towers have not been finalised yet. A final document is being prepared in this regard. Another meeting will be planned with BSU once this document is ready. Only after that meeting will the impacts be assessed and risk mitigation measures disclosed.

The above feedback will be shared with Azerenergi to discuss land impacts and land acquisition process with land users.

National Laws

Based on the above, the following national laws apply for compensation with regards to loss of land.

1.1.1 Land Acquisition Law

The Land Acquisition Law is another land legislation in Azerbaijan and It regulates the rules of acquisition of lands for state needs in the Republic of Azerbaijan, calculation and payment of the amount of compensation in this regard, as well as other relations between the parties involved in land acquisition. The Land Acquisition Law states the following:

- Article 4, Clause 4.1: Any land required for state needs or land in shared ownership shall be compulsorily transferred to the state on the basis of an agreement with the owner (owners);
- Article 4, Clause 4.2: The state is obliged to make every effort to reach an agreement with the affected persons and to pay the market price or replacement price for the land and may not exercise the relevant powers provided for in this Law until the fulfilment of this obligation;
- Article 5, Clause 5.1: The following land may be acquired for state needs in accordance with the law regardless of the restrictions imposed on the lease and use of the land plot;
 - Privately owned lands; and
 - Municipal Land.
- Article 7.1: An affected person by an acquisition is a person who is resettled from his land and/or loses rights to live on it and use the land, becomes incapable to continue its business activity (partially or entirely), loses work place and loses opportunities to get benefit from public areas, undergoes any other losses and depreciation of living facilities as a result of acquisition.
- Article 7, Clause 7.2: The person affected by the acquisition shall have the right to receive compensation in accordance with the procedure established by this Law;
- Article 7, Clause 7.3: the following persons shall be considered affected by the acquisition:
 - Persons who have state-registered property, use or lease rights to land, as well as legal use or lease rights that do not require state registration by law;
 - Persons who have legal but not state-registered ownership, use or lease rights to land, confirmed by written documents at the time of registration (the adoption or conclusion of a contract without complying with the requirements of the legislation cannot be a ground for declaring a person's land rights illegal);
 - The lessee as a sublease, the user as a lease to third parties, or persons who use the land for a short period of time on the basis of an agreement with the user, confirmed by oral or written evidence;
 - Persons living on land on the basis of long-term use recognized by law, which gave rise to the right to land; and
 - Persons who do not have legal rights to the land where they live.
- Article 7, Clause 7.4: Persons listed above with the exception of those who do not have legal rights to the land where they live shall be provided with compensation and other assistance related to the lost land in accordance with the provisions of this Law;
- Article 7, Clause 7.5. Persons who do not have legal rights to the land where they live except for real estate, shall be provided only with assistance related to their relocation

and assistance aimed at compensating the damage caused to the personal property of those persons during relocation;

- Article 7.6.: Family members of any person considered in article 7.1 who live on the land shall be taken to be affected persons by land acquisition;
- Article 8, Clause 8.2.5. Ensure compensation is paid or resettlement has taken place in accordance with the Law before taking possession of the land of an affected person;
- Article 10, Clause 1: The receiving authority (i.e. the party acquiring land) shall collect all the information necessary to comply with the requirements of this Law during the preparation of the land acquisition proposal;
- Article 43 and 44: Includes the criteria for assessing cost and implementation of resettlement plan or guidelines.
- Article 49: Specifies the acquisition process for part of a leased state or municipal owned land.
- Article 54, Clause 1: All persons affected by the acquisition shall be entitled to fair compensation in accordance with this Law in exchange for the acquisition of their land or other rights to land;
- Article 54, Clause 2: Compensation is paid to those affected by the acquisition through a project that necessitates the acquisition of land; and
- Article 56, Clause 1: The compensation to be paid to the plaintiffs should be based on:
 - The principle that the property, livelihood, income, standard of living of all persons affected by the loss and violation of their land and resettlement should be reimbursed within a reasonable time after their loss or resettlement. To be restored from the conditions in which they were before the transfer, so as not to get into unfavorable conditions;
 - Current inflation in assessing compensation payable; and
 - All costs and losses arising from such a move, if the person was forced to change their place of residence, business or place of work as a result of the acquisition.

Additional commitments

ACWA will make all reasonable effort to liaise with Azerenergi to achieve a successful outcome in terms of identifying PAPs and advising Azerenergi of equivalent compensation that similar to PAPs on the Wind Farms. A letter has been issued by ACWA Power to Azerenergi to request commitment on the following:

- The final design/route of OHTL will take into consideration the outcome of the socio-economic survey and ESIA study. Where possible Azerenergi will avoid or minimise impact on land users and receptors as identified in ESIA;
- Azerenergi will minimise any temporary restrictions on land use and livelihood impacts. Where this cannot be avoided, Azerenergi will provide compensation based on national laws and requirements with appropriate consultation including informal users;

-
- Azerenergi will implement a grievance mechanism throughout the development of the OHTL; and
 - The outcome of the ESIA will be implemented and incorporated into the design, construction and operation of the OHTL this includes the mitigation and management measures included in the ESIA.

A response letter was issued by Azerenergi on 1st of June 2022 stating that the project will follow the national requirements and guarantees 'the fulfillment of its obligations under the legislation of the Republic in respect to the "agreements" and ETL construction projects' stated in ACWA's letter.