Azerbaijan Scaling-Up Renewable Energy Project (P505208)

(AZURE) Project

RESETTLEMENT ACTION PLAN

for the 235 km single-circuit 500 kV overhead transmission line (OHL) from Azerbaijan Thermal Power Plant (TPP) substation to Navahi substation

05/2026

Social
Risk
Management

DOCUMENT CHECK PAGE

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Abbreviations

AERA	Azerbaijan Energy Regulator Agency
AREA	Azerbaijan Renewable Energy Agency
ESF	Environmental Social Framework
ESS	Environmental and Social Standard
GoA	Government of Azerbaijan
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
LAL	Land Acquisition Law
LEP	Land Entry Protocol
LExP	Land Exit Protocol
LRP	Livelihood Restoration Plan
MENR	Ministry of Ecology and Natural Resources
MOF	Ministry of Finance
NA	Not Applicable
MWac	Megawatt Alternating Current
NGO	Non-Governmental Organization
OHL	Overhead Transmission Line
PAP	Project Affected Person
PIU	Project Implementation Unit
RAP	Resettlement Action Plan
WPP	Wind Power Plant

Definitions

Affected Household: All persons residing under one roof and operating as a single economic unit, who are adversely affected by the Project or any of its components. It may consist of a single nuclear family or an extended family group.

Associated Facilities: Means facilities or activities that are not funded as part of the project and, in the judgment of the Bank, are: (a) directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist

Compensation: Payment in cash or in kind of the replacement cost of the acquired assets. Project Affected Person (PAP): Any person who experience full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from involuntary acquisition of land, or involuntary restriction on land use or access to legally designated parks and protected areas.

Consent Forms: Under the agreement signed between Azerenerji and the landowners, this is a formal legal agreement that governs the mutual rights and obligations of the parties regarding the installation of power transmission line towers and lines as part of the project, as well as the provision of access to and the establishment of usage rights for the relevant properties in connection with these activities.

Census: A complete and accurate census of the population that will be affected by land acquisition and related factors. It refers to the field research conducted to identify and determine the number of Project Affected People (PAPs) and their assets.

Easement: An easement is a legal right to use another person's land for a specific limited purpose. It does not confer ownership of the land.

Entitlement: Range of measures comprising compensation, income restoration, transitional assistance, income substitution, and relocation which are due to PAPs, depending on the nature of their losses, to restore their economic and social base.

Cumulative Impact: Refers to the total effects that a project activity has on the environment and society when combined with other past, present, or future projects in the same area.

Cut-off-date: The date for eligibility for resettlement assistance. For this Project the commencement of the census of PAPs in the project/subproject area will be considered as the cut-off date.

Eligibility: The status of persons directly affected by immovable property, income sources, or other assets within the scope of the project to be entitled to compensation, resettlement, or support.

Grievance Mechanism: A formal process that persons affected by the project can use in cases where their rights have been violated, or they have suffered adverse impacts. This mechanism ensures that grievances are resolved in a timely, transparent, and satisfactory manner.

Land Acquisition: The process whereby a government agency compulsorily alienates all or part of the land and other assets a person owns or possesses and transfer the ownership and possession to the government agency for state needs subject to provision of compensation at replacement cost.

Land Entry Protocol: The RAP application document serves as proof that the necessary legal permits have been obtained from the landowners and users, and that compensation for affected parties has been paid or secured. It is prepared prior to entering the site and records all assets on the land.

Land Exit Protocol: The Land Exit Protocol is an RAP implementation document that demonstrates that the project implementer has returned the land—whether used temporarily or permanently—to its owner or user; that any damage caused to the land has been repaired or compensated for; that the implementer has fulfilled its obligations to restore the land to its original condition (rehabilitation); and that the entire process has been documented by the parties involved.

Project Affected Person: Any person who, as a result of the project's implementation, loses, either completely or partially, permanently or temporarily, the right of ownership, use, or other benefit over structures, land (residential, agricultural, or pasture), annual or perennial crops and trees, or other fixed or movable assets.

Project Implementation Unit (PIU): The unit responsible for the overall implementation, financial management, and final delivery of the project.

Rehabilitation: Compensatory measures provided under the Land Acquisition and Resettlement Framework other than payment of the replacement cost of acquired assets.

Replacement Value: The amount required by the PAP to replace/reconstruct the assets acquired or damaged by the project calculated based the following elements: fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments.

Resettlement: All measures taken to mitigate any and all adverse impacts of the Project on PAP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation.

Right of Way: A right of way is a type of easement that specifically grants the holder the right to travel across another's land. Examples include paths for walking, driving, or cycling across private property.

Below Poverty Line (BPL) Households: Households whose monthly income is less than the official designated poverty line at the time of the census as determined by the Government of Azerbaijan based on the household budget surveys conducted by the State Statistical Committee1

Vulnerable Households: Households who may be more likely to be disadvantaged or impoverished by the process of resettlement.

Executive Summary

This Resettlement Action Plan (RAP) has been prepared by Azerenerji for the Azerbaijan Scaling-Up Renewable Energy Project (P505208) — AZURE Project — specifically for Subcomponent 1.2, which involves the construction of a new 235 km single-circuit 500 kV overhead transmission line (OHL) from Azerbaijan Thermal Power Plant (TPP) substation to Navahi substation. The Project is financed with World Bank support and is subject to the requirements of the World Bank's Environmental and Social Framework (ESF), in particular Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

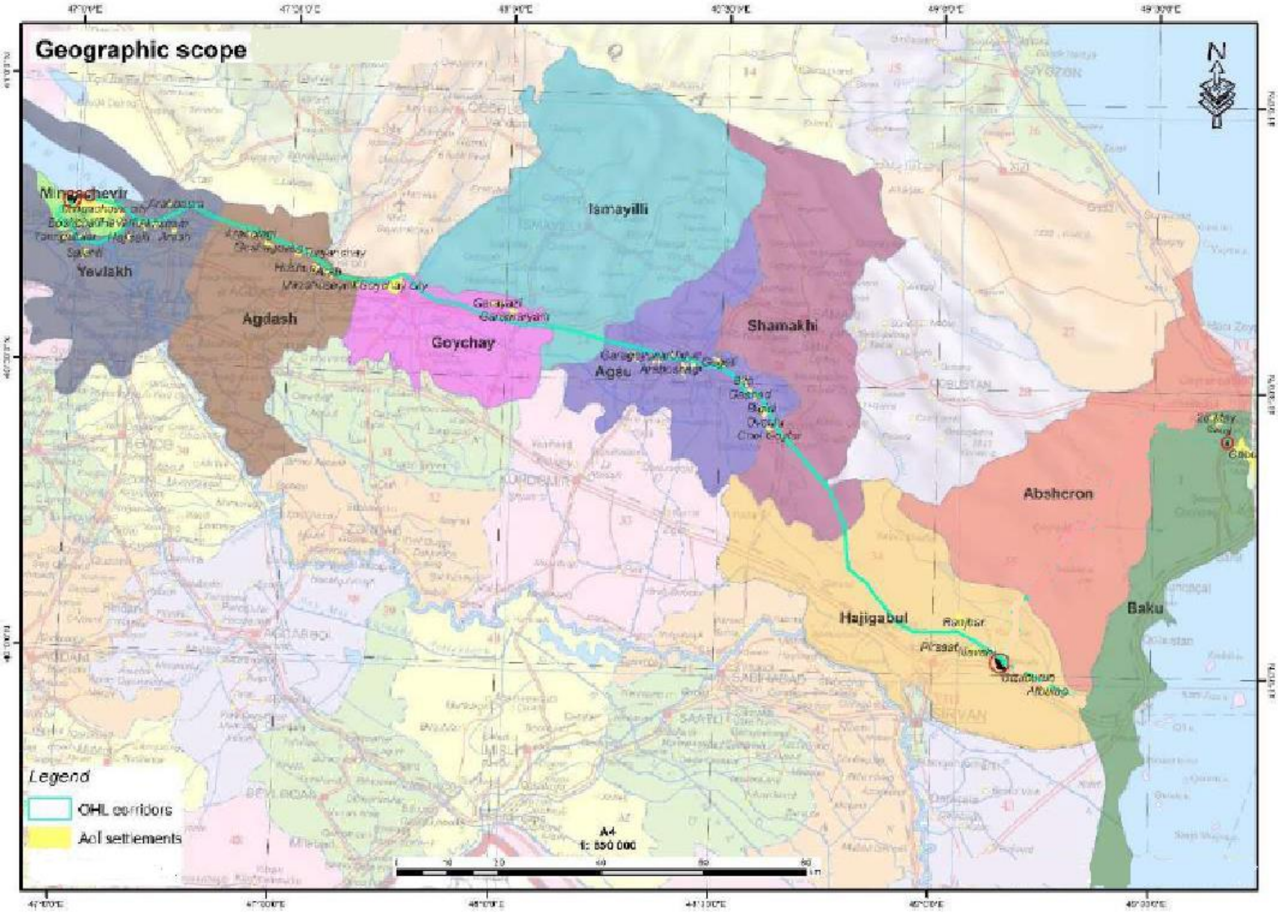
The AZURE Project is a strategic project that aims to increase energy security and achieve sustainable energy management goals by harmonizing Azerbaijan's energy infrastructure with renewable energy sources. The main goals and objectives of the project are as follows:

- Renewable Energy Integration: The project's main objective is to reliably and efficiently integrate variable renewable energy sources, such as solar and wind energy, into Azerbaijan's national grid. Incorporating these resources into the grid will increase diversity in energy supply and strengthen energy security.
- Strengthening Transmission Infrastructure: Under the project, existing power transmission lines will be expanded and renewed. The aim is to facilitate the connection of renewable energy power plants to the grid and reduce losses in energy transmission. Modernization of transmission infrastructure, in particular, aims to increase the capacity of aging transmission lines and ensure energy supply security by constructing new lines. Key transmission infrastructure components associated with the AZURE Project include:

  - Construction of the new Navahi Substation with voltage levels of 500/330/10 kV and a capacity of 2x500 MVA.
  - Construction of new transmission lines, including:
    - A 500 kV single-circuit overhead line (OHL) from Absheron Substation (SS) to Navahi SS, spanning 65 km.
    - A 330 kV double-circuit OHL from Bilasuvar Solar Power Plant (SPP) to Navahi SS, covering 90 km.
    - A 330 kV double-circuit OHL from Banka Solar Power Plant (SPP) to Navahi SS, extending 80 km.
  - Enhancements to existing substations, such as the installation of a 330 kV bay at the Absheron Substation.

The other lines supported by the Project and subject to the second separate RAP.

The transmission line traverses eight regions in central and eastern Azerbaijan — Aghdash, Aghsu, Goychay, Hajigabul, İsmayilli, Mingachevir, Shamakhi, and Yevlakh — passing through 64 settlements and 44 non-residential areas defined as “grazing areas”, for a total of 110 distinct locations. The line will be constructed parallel to an existing Navahi-Mingachevir OHL across predominantly flat and gently rolling agricultural terrain. Construction is scheduled to commence in the second quarter of 2026 and to be completed by the fourth quarter of 2027.



The Project is implemented by Azerenerji, the national electricity generation and transmission company of the Republic of Azerbaijan, which is responsible for the construction and operation of the OHL and associated substation infrastructure.

Project	500 kV Single-Circuit OHL — Azerbaijan TPP to Navahi SS
Total Length	235 km
Number of Pylons	714 pylons across 8 regions
Affected Regions	Aghdash, Aghsu, Goychay, Hajigabul, İsmayilli, Mingachevir, Shamakhi, Yevlakh
Affected Settlements	64 settlements + 44 non-residential grazing areas
Construction Period	Q2 2026 – Q4 2027

This RAP has been prepared in accordance with both national Azerbaijani legislation and World Bank ESS5. A gap analysis was conducted between national legal requirements and World Bank ESS5 standards. In several areas — including compensation at full replacement cost, recognition of informal land users, gender-sensitive consultation, monitoring of resettlement outcomes, and grievance mechanisms — national legislation falls short of international standards. In all such cases, World Bank ESS5 requirements take precedence, and project-specific measures have been designed to bridge identified gaps.

The Project does not involve full expropriation of land. The primary mechanism for land acquisition is the establishment of permanent easements along the OHL right-of-way (RoW), which typically extends 30 metres from the outermost line on both sides of the 500 kV single-circuit OHL. Within this corridor, land ownership is retained by existing owners; however, defined restrictions on land use apply, including limitations on construction, tree planting, and certain agricultural practices. At pylon foundation locations, permanent acquisition of small parcels is required for the physical footprint of each tower.

The total easement area across all eight regions is approximately 8.13 million m², distributed across private (51%), state (40%), and municipal (9%) land categories. The total pylon footprint area subject to permanent land acquisition is approximately 172,000 m², spread across 714 pylon locations.

Total Easement Area	~8,132,743 m² (across 8 regions)
Private Land in Easement	~4,120,836 m² (51%)
State Land in Easement	~3,272,161 m² (40%)
Municipal Land in Easement	~739,746 m² (9%)
Total Pylon Footprint	~172,000 m² (permanent acquisition)
Physical Displacement	None anticipated

The Project will affect a total of 1,114 private landowners, 22 formal tenants, and 11 businesses with land or assets located within pylon footprints or the permanent easement corridor. In addition, informal users of state and municipal land have been identified and are recognized as eligible for compensation in accordance with ESS5, regardless of their legal tenure status.

The Project is designed to avoid physical displacement entirely. No residential structures or inhabited buildings are located within the project footprint, and no persons will be required to relocate their homes. Impacts are limited to economic displacement — specifically, restrictions on land use, temporary loss of access during construction, and loss of crops, trees, and in limited cases, non-residential structures.

The socioeconomic baseline survey was conducted with 596 household heads across the eight regions, covering a population of 2,907 individuals. The survey confirms that the Project area is predominantly rural and agricultural, with farming and animal husbandry constituting the primary livelihoods. The median annual income from agricultural land is approximately 1,500 AZN (approximately 885 USD), with significant variation across regions and between households. Extended family structures are prevalent, accounting for 73% of surveyed households.

A structured vulnerability screening was conducted as part of the RAP preparation process. A total of 114 vulnerable individuals were identified across 107 households located within the project area. Vulnerable households are distributed across all eight regions, with the highest concentrations in Aghsu and Aghdash. All vulnerable households subject to permanent land acquisition at pylon locations will receive additional compensation on standard land compensation entitlements, equivalent to one month's minimum wage per household.

This RAP acknowledges a data limitation with respect to gender: the female respondent rate in the household survey was 14%, which falls below the threshold generally considered adequate for capturing gender-differentiated impacts. This limitation has been noted, and gender-sensitive follow-up consultations will be conducted during implementation to address gaps in the baseline data. Azerenerji will monitor closely managed during implementation to close out a gap. The lower participation of women in the survey is considered to be influenced by prevailing socio-cultural norms in certain rural areas, where men are more commonly recognized as primary household representatives in interactions with external parties. As a result, women may be less likely to engage directly in formal survey processes. To address this, the Project will adopt targeted measures during implementation, including the use of female enumerators, separate consultations with women where appropriate, and tailored outreach approaches to ensure that women's perspectives and potential impacts are adequately captured and reflected in project planning and mitigation measures.

All compensation under the RAP is based on the principle of full replacement cost, in conformity with World Bank ESS5. For permanent land acquisition at pylon locations, compensation is calculated at market value based on land productivity, land category, and the income-generating potential of crops in each region, with an additional 10% uplift for parcels subject to cumulative impacts arising from existing easements or infrastructure. For easement areas, landowners retain ownership, and agricultural use may continue subject to defined restrictions. Crops, trees, and structures affected during construction within easement areas are compensated separately.

Crops are compensated at market value. The crop compensation rate applied is based on a yield of 400 kg per decare and a market price of 0.5 AZN per kilogram, consistent with findings from the baseline survey and local market data. Income-generating trees are compensated based on the net present value of their future income stream. Non-residential structures are compensated at full replacement cost.

A cut-off date was established coinciding with the commencement of the RAP asset census. However, field verification confirmed that most impacted persons do not have information about the Project. Therefore, the cut-off date will be the disclosure of the Project and will be formally re-announced at all Project locations during introductory community meetings in Project encroached villages.

The Project's approach to impact management follows an impact hierarchy of avoidance, minimization, compensation, and restoration, applied sequentially across the pre-construction, construction, and post-construction phases.

Prior to construction, a micro-routing study will be conducted jointly by Azerenerji and the Contractor to refine pylon locations and, to the maximum extent technically feasible, avoid sensitive assets including orchards, intensively cultivated plots, and non-residential structures. Where feasible, pylon positions will be shifted toward parcel boundaries or existing roadside corridors. Construction scheduling will also seek to avoid peak growing and harvesting periods to minimize disruption to income cycles.

All compensation will be paid in full, in line with the entitlement matrix, and formal consent agreements will be executed with affected parties prior to the transfer or allocation of land to the Contractor. In accordance with ESS5 requirements, no land will be accessed before completion of compensation and documentation.

Prior to site entry on any parcel, a Land Entry Protocol (LEP) will be executed with each affected landowner, tenant, or informal user, documenting all assets present and confirming that agreed compensation has been paid. Construction will not commence on any private parcel until the relevant LEP is in place and payment is complete. Construction will begin with state-owned unoccupied land and proceed sequentially to privately owned parcels. The LEP form is also provided in the Appendix 1.6.

Following the completion of works, all temporarily affected agricultural land will be restored to a condition suitable for continued productive use. A Land Exit Protocol (LExP) will be signed with each affected party confirming that land has been satisfactorily reinstated. Damage to community infrastructure — including local roads and irrigation features — will be repaired promptly and, where required, formally approved by relevant local authorities. The LExP form is also provided in the appendix 1.6. Azerenerji will have a representative from the PIU conduct on-site visits to ensure the process proceeds smoothlyand that the Project GRM is operating effectively.

Construction will be carried out in phases and in segments, beginning with state owned lands that are currently unoccupied. Azerenerji has divided the construction site into segments and identified the government-owned lands where work will be carried out, as well as the priority order of the work.

Azerenerji has stated that a micro-routing study will be conducted, after which the finalized pylon locations will be marked in the field. Since this study is expected to be completed by 15 May 2026, this date has been accepted as the cut-off date.

The RAP includes a dedicated Livelihood Restoration Plan (LRP) designed to address the specific circumstances of orchard producers, and perennial crop farmers — groups identified as facing elevated livelihood risk due to the long-term nature of their productive investments and the extended time required for perennial trees to reach maturity after replanting. The LRP therefore provides, in addition to compensation at full replacement cost, targeted support including the provision of replacement saplings, and transitional assistance during the period before newly planted trees reach productive maturity.

Consultations with Project Affected Persons (PAPs), local authorities, and businesses were conducted as an integral part of RAP preparation. Survey findings indicate that project awareness among affected communities remains limited — 62% of surveyed household heads reported having no opinion on project impacts, reflecting the early stage of engagement at the time of data collection. Among those who expressed a view, concerns were concentrated on crop and income loss (65% of those identifying negative impacts), health and safety risks, and access restrictions. The most commonly requested information topics were construction timelines, the route of the line, and the expropriation and compensation process.

Ongoing and meaningful engagement with PAPs will continue throughout RAP implementation, disclosure, construction, and post-construction monitoring. A Stakeholder Engagement Plan (SEP) has been developed for the Project in parallel with this RAP. Information disclosure — including distribution of information pamphlets in Azerbaijani to affected communities and publication of the RAP in English on the World Bank's project portal — will be completed prior to the commencement of construction.

A two-tier Grievance Redress Mechanism (GRM) is currently in place, comprising a project-level grievance committee and the option of escalation to relevant government institutions or the World Bank Grievance Redress Service. Grievances may be lodged verbally or in writing through multiple channels, including direct contact with Azerenerji, the Supervision Engineer, Contractor's Social Specialist, and local municipal offices. All grievances will be recorded, tracked, and resolved within defined timeframes, with responses provided in Azerbaijani. The GRM has been designed to be accessible, transparent, and responsive to the needs of all affected persons, including vulnerable groups.

The total estimated RAP budget is approximately USD 907,987 (1,538,961 AZN), inclusive of a 10% contingency allowance. The largest single budget item is crop compensation within permanent easements, reflecting the scale of agricultural land traversed by the transmission corridor.

A structured Monitoring and Evaluation (M&E) system has been established to track the implementation of the RAP and assess whether its objectives are achieved. Internal monitoring will be conducted by Azerenerji and the Contractor on a monthly basis, covering land acquisition progress, compensation payment status, LEP implementation, construction-related impacts, and GRM activity. To minimize the impact of construction, work will begin on unoccupied state-owned land; on privately owned plots, construction will be postponed until after the harvest, if possible, and minor route adjustments will be made. External monitoring will be conducted by an independent consultant on a semi-annual basis, covering socioeconomic outcome assessment, evaluation of livelihood restoration, and targeted monitoring of vulnerable group outcomes. An independent completion audit will be conducted at the conclusion of RAP implementation to verify whether all compensation obligations have been fulfilled and whether affected persons' livelihoods have been restored in conformity with ESS5.

1. Introduction

1.1. Objectives and Scope of RAP

The Azerbaijan Scaling-up Renewable Energy Project (AZURE Project), initiative aims to address key challenges and opportunities related to the effective integration of renewable energy sources (solar, wind, hydro) into the energy grid. By leveraging innovative technologies, policy frameworks, and stakeholder collaboration, the project seeks to accelerate the adoption and integration of renewables, contributing to a more sustainable and resilient energy ecosystem.

There is a Resettlement Policy Framework (RPF) approved and disclosed for the Azure Project in August 2024. The RPF is intended to avoid or minimize any adverse impacts associated with physical or economic displacement, and to ensure arrangements are in place to mitigate any adverse impacts that may occur. RPF's fundamental purpose is to establish terms of agreement between relevant authorities in the Republic of Azerbaijan and the World Bank regarding principles and procedures to be used in subsequent preparation of a RAPRAPs.

SRM Consulting has prepared the RAP for the AZURE Project in accordance with the entitlement matrix set out in the Resettlement Policy Framework (RPF). The RAP is based on a comprehensive assessment of the Project's potential resettlement-related social impacts on affected communities and the wider population. This assessment identifies and analyses potential impacts associated with land acquisition and displacement, including effects on livelihoods, living conditions, and social structures, and establishes appropriate mitigation and compensation measures in line with applicable national legislation and international standards. The objectives of the RAP are to:

- Establish guidelines outlining how the Project will address economic displacement arising from its development through resettlement and livelihood restoration measures, with the objective of ensuring that the livelihoods and standards of living of PAPs are restored to pre-project levels, and where possible, improved, in accordance with World Bank ESS5.
- Identify gaps between applicable national legislation and lender requirements particularly World Bank ESS5, and define measures to bridge these gaps to ensure full compliance with international standards.
- Ensure that PAPs without formal legal rights to land, including those without lease agreements or recognizable legal tenure, are eligible for compensation for loss of non-land assets and are provided with livelihood restoration assistance, in accordance with World Bank ESS5.
- Identify the presence of vulnerable groups among PAPs to ensure that appropriate and targeted assistance measures are provided, in accordance with World Bank ESS5, so that these groups are not disproportionately affected and are able to restore or improve their livelihoods and living standards.
- Ensure that land acquisition and livelihood restoration activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
- Avoid forced eviction.
- Define PAPs eligibility criteria and establish an entitlement matrix based on the type and magnitude of losses, in accordance with World Bank ESS5.
- Ensure that all compensation is fully paid in accordance with the entitlement matrix prior to any land entry.
- Present the GRM to be implemented for the Project to receive, assess, and resolve concerns, grievances, and requests for information from PAPs. It should be noted that this mechanism will be integrated with the existing Project-level GRM, which PAPs can continue to access throughout the Project lifecycle, in line with applicable international standards.

This RAP is applicable to Subcomponent 1.2: 500 kV Expansion, which includes the construction of a new 235 km single-circuit 500 kV OHL from the Azerbaijan TPP substation to the Navahi substation; the supply and installation of equipment for the 500 kV section of the Navahi (2×500 MVA) substation; and the expansion of the 500/330 kV bays at the Gobu PP and Azerbaijan TPP substations.

1.2. Project Introduction /Background of Azure Project

The Azerbaijan Scaling-up Renewable Energy Project (AZURE Project), which will be jointly financed by the World Bank and GoA, aims to strengthen and enable renewable energy development in Azerbaijan. For this purpose, the GoA will finance the following:

a. Construction of 500/330/10 kV 2x500 MVA Navahi substation
b. Construction of 500 kV single-circuit Absheron Substation (SS_ - Navahi SS OHL - 65 km
c. Construction of 330 kV double-circuit Bilasuvar Solar Power Plant (SPP) - Navahi SS OHL - 90 km
d. Construction of 330 kV double-circuit Banka SPP - Navahi SS OHL - 80 km
e. Installation of 330 kV bay at Absheron substation

The World Bank will finance the following:

Component 1: Absheron-Garadagh Wind Power Plant Connection and Transmission Network Expansion (US$168.4Million IBRD, including US$18.6 million contingencies), including following two sub-components:

Subcomponent 1.1: Connection of Absheron-Garadagh Wind Power Plant and 330 kV Expansion (US$33.8 million), including new transmission lines: (i) 65 km OHL single circuit 330 kV from Absheron-Garadagh wind power plant to Navahi substation, (ii) 19 km OHL single circuit 330 kV from Absheron Garadagh wind power plant to Gobu PP substation, (iii) 22 km OHL double circuit 330 kV from Navahi substation to Alat substation, and (iv) expansion of 330 kV bays at Gobu PP substation.

Subcomponent 1.2: 500 kV Expansion (US$ 134.6 million), including (i) new transmission 235 km single circuit OHL 500 kV from Azerbaijan TPP substation to Navahi substation (ii) supply and installation of equipment for 500 kV part of Navahi (2x 500 MVA) substation (ii) expanding the 500 kV bays at Gobu and Azerbaijan TPP substations.

The towers are based on a metal profile made of alloy or carbon steel. Structural elements are connected to each other using welded or bolted joints. Each type of connection has its advantages and disadvantages. For example, the use of modern welding methods allows to obtain the most reliable construction, but it is difficult to transport. The use of bolts allows the towers to be transported to the site in small parts and assembled in the field.

The distance between the towers will be 250m-300m depending on the relief, as the OHLs are single and double circuit. Depending on the relief, the height of the towers also varies between 40-49 meters. The technical and economic reasoning was taken into account in the selection of towers. The anchor takes up to 95 m²-470 m² of land, depending on the type of support and its resistance in the relief.

Each tower will have four legs and single foundation per leg, i.e. four foundations for each tower. The foundations will be designed with reinforced concrete blocks with a type of concrete suitable to the specific bearing capacity of the soil, obtained from the respective site-specific geo-technical investigation.

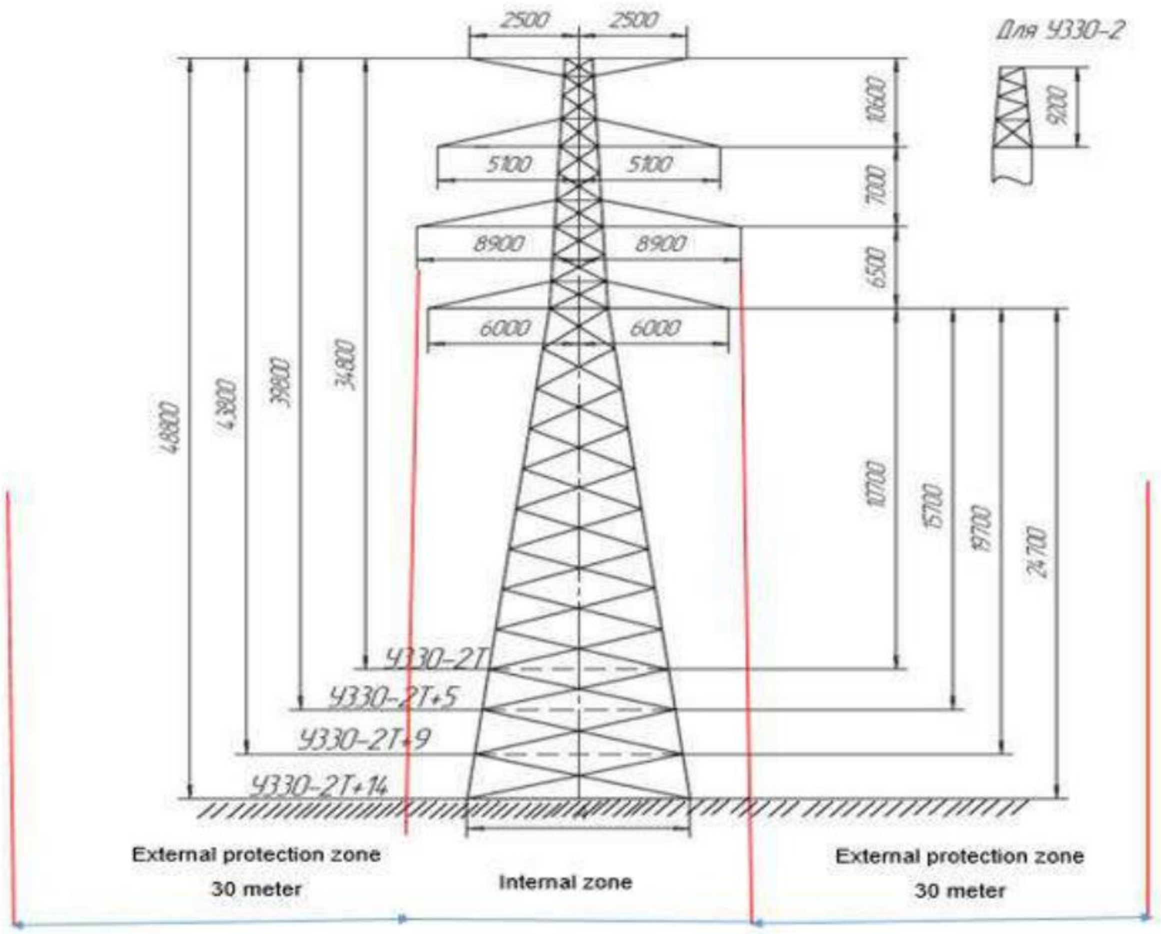


Figure 1-1. Structure of double-circuit 500 kV anchor tower, protection zone and approximate configuration of the corridor

235 km length 500 kV single-circuit "Azerbaijan TPP - Navahi SS" OHL runs from Navahi SS to Azerbaijan TPP for evacuation of energy from Navahi SS to Azerbaijan TPP. It will be constructed parallel to existing 330 kV Absheron-Mingachevir OHL and has flat and slightly hilly terrain and is easily accessible.

Azerenerji will be responsible for the construction and operation of the energy infrastructure, including OHLs and substations, in line with the requirements of national environmental and social (E&S) regulations and World Bank ESSs. A multidisciplinary RAP Implementation Team, established within the PIU and supported by the Supervision Engineer (SE), is responsible for overseeing all environmental and social, legal, financial, and stakeholder engagement aspects of RAP implementation. The team includes the Azerenerji PIU, SE and Construction Contractor/s (CC) and operates under clearly defined internal protocols, reporting lines, and a consolidated implementation schedule to ensure coordinated and timely execution. Its composition provides comprehensive coverage of key functions, including risk management, legal documentation, compensation administration, and stakeholder engagement. Through close coordination and continuous oversight, the team ensures that all RAP-related activities are implemented in full compliance with applicable World Bank standards and national legislation.

Azer Enerji's responsibilities:

The PIU will oversee micro-routing and pylon marking, ensure stakeholder engagement and GRM operation, monitor RAP implementation (including compensation and livelihood restoration), conduct audits and capacity building, and verify that all PAPs—especially vulnerable groups—receive their full entitlements and support in accordance with project requirements.

Supervision Engineer responsibilities:

The Supervision Engineer (SE) will deploy a dedicated social team to monitor and evaluate the performance of the Contractor (CC) in relation to RAP implementation. The SE will be responsible for the preparation of monthly internal monitoring reports based on data provided by the CC, as well as for overseeing the implementation of the Land Entry Protocol (LEP) and Land Exit Protocol (LEX), and the management of the grievance mechanism. In addition, the SE will identify non-compliances, maintain corresponding records, and develop and monitor corrective actions to ensure that RAP implementation is carried out in accordance with applicable requirements and standards.

Construction Contractor's responsibilities:

The contractor will deploy a full-time Social Specialist, conduct and optimize micro-routing to avoid impacts, manage the GRM and stakeholder communications, monitor field activities, implement land access protocols, ensure timely compensation and damage mitigation, and uphold community health, safety, and site control measures throughout construction.

Construction work will be initiated in Q2 2026 and completed in Q4 2027.

1.3. Project Area

The number of settlements affected by the project is 64 settlements in 8 regions. In addition to these, there are 44 more areas defined as "grazing areas" that are not defined as settlements.

Table 1-1 Information of Settlements

No	Region	Number of Settlements	Number of Non-Residential Settlements	Total
1	Aghdash	9	4	13
2	Aghsu	24	0	24
3	Goychay	10	1	11
4	Hajigabul	3	22	25
5	İsmayilli	2	0	2
6	Mingachevir	1	0	1
7	Shamakhi	5	10	15
8	Yevlakh	10	7	17
Total	8 Region	64	44	108

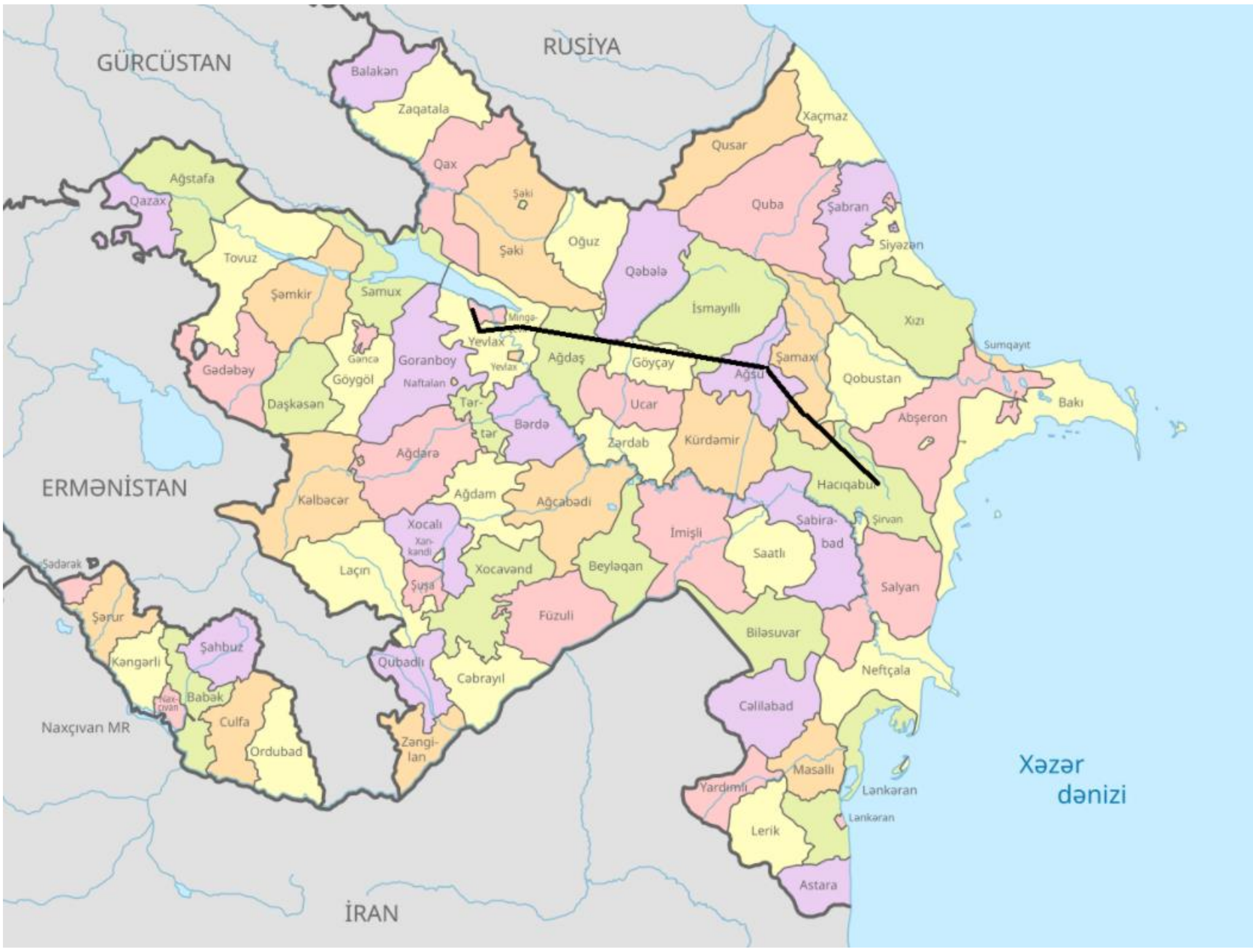


Figure 1-2. Map of the Affected Regions

The complete list of affected settlements is provided in Appendix 1.1.

2. Legal Framework and Policies

2.1. National Legislation

The Constitution of the Republic of Azerbaijan

The Constitution of the Republic of Azerbaijan guarantees individuals the right to own, use, and sell property. Pursuant to Article 13 of the Constitution, three forms of property ownership are recognized in the country: state, municipal, and private property. This provision establishes that property rights are legally protected, and that different forms of ownership are equally acknowledged under the law.

Article 29 of the Constitution stipulates that no person may be deprived of their property without consent or a court decision. Furthermore, the expropriation of private property for state needs is permitted only on the condition that fair and prior compensation is provided to the property owner. This provision ensures the protection of property holders during expropriation processes and recognizes compensation as a fundamental right.

The constitutional amendment adopted on 26 September 2016 introduced additional provisions to Article 29, emphasizing that private land ownership entails social responsibilities. Accordingly, property rights over land may be restricted by law in order to promote social justice and ensure the efficient use of land. This framework seeks to balance public interest considerations with the protection of individual property rights.

The Civil Code establishes the general legal concept of servitude (servitut) as a real right over immovable property, providing the foundational rules on creation, content, registration, duration, and termination of easements. It defines easement as the right to use one or more neighbouring parcels of land. Rights over immovable property, including servitudes, must be registered in the State Register of Real Estate pursuant to the Civil Code and the Law on State Registration of Real Estate.

Land Code of the Republic of Azerbaijan

The Land Code of the Republic of Azerbaijan establishes the legal framework governing land relations and defines the roles of the parties involved. Within this framework, State bodies, municipalities, citizens, and legal entities are identified as the primary stakeholders. The Code also regulates the status of foreigners and stateless persons, foreign legal entities, international associations and organizations, and foreign states in relation to land matters.

The Land Code recognizes three forms of land ownership: State, municipal, and private property. All ownership types are afforded equal legal status and are protected by the State. This framework ensures that land acquisition and land use processes are carried out under legal safeguards.

Article	Description
Article 12: Agricultural land and their composition	Agricultural lands can be repurposed for non-agricultural uses only if the Cabinet of Ministers redesignates them under exceptional circumstances.
Article 13: Designated use of lands for agricultural purpose	Agricultural lands are utilized for the production and processing of agricultural products, as well as for scientific research, education, and practical testing in the agricultural sector. - These lands may also be used for constructing communication facilities, temporary structures, and other installations essential for effective agricultural operations, provided they meet environmental and technical standards.
Article 16: Conditions for the use of pastures, grazing fields and meadows	Summer and winter pastures are allocated to individuals and entities with their own livestock. State-owned pastures

	are assigned to administrative units based on the needs of state livestock farms and executive authority decisions. Municipalities can allocate their pastures for livestock breeding to municipal businesses by decision and lease them to other legal entities and private individuals. Municipal lands for public grazing are available for common use, while remaining meadows and grazing sections in reserve can be leased to legal entities and individuals according to legislation. Common grazing sections are available for indefinite public use. Municipal reserve pastures, grazing fields, and meadows can be leased to entities and individuals for 10 to 15 years. Lease agreements can be extended based on land bids or tenders. If the livestock on leased pastures decreases significantly, or if there is a change in ownership, the lease and use agreements must be reconsidered as per legislative procedures.
Article 22: Protection zone	The owners, users and lessees of land on whose territory a protection zone has been established in line with the regime pertaining to this zone shall not be deprived of their rights to the land plot, except for cases which envisage complete withdrawal of lands from economic turnover. The owners, users and lessees of land must observe the rules established for these zones within the boundaries of the protection zone.
Article 48: General characteristics of rights of legal entities and private individuals to land	Lands can be allocated for ownership, use, or lease only according to their designated purposes.
Article 62. Provision of lands plots located under electricity distribution and transmission, communication lines and sanitary-protection zones of industrial businesses	The land plots located under electricity distribution or transmission lines, communication lines and sanitary-protection zones of industrial businesses can, with the consent of their owners and users, be provided only for short-term use and lease with the aim of raising garden crops and vegetables, as well as grazing cattle and haymaking
Article 73: Grounds for Termination of Land Rights of Legal Entities and Individuals	The right to own or lease a land plot or a part of it shall be terminated in the following cases: • voluntary abandonment or alienation of a land plot by its owner; • expiration of the term of use or lease of the land plot; • cessation of activities of a legal entity; • use of the land contrary to its designation; • termination of individual employment agreements of workers pertaining to the land plots in temporary use according to labour relations; • breach of the terms of the agreement on use or lease; • failure to pay land tax and lease payment during one year without a valid excuse; • failure, for two years without a valid excuse, to use the land plot provided for agricultural production, and for one year the land plot provided for non-agricultural needs;

	• failure to prevent, during use, deterioration of quality and erosion of land, pollution of it with chemical and radioactive substances, swamping, repeated salinization, breach of regulations while operating melioration and irrigation systems, pollution of the environment; • when the need arises in the acquisition of land for state needs; • in case of transfer of the title for buildings and structures, belonging to the land plot owner and located at this plot; • transfer of the ownership right to a structure and facility or the right to practically manage it to another person; • death of the owner, user (lessee) of the land and absence of heirs; • mortgage of the land plot and failure to deliver on the obligation secured by the mortgage.
Article 101: Compensation for the losses incurred by owners, users and lessees of land	Any losses arising from the withdrawal (compulsory acquisition) or temporary occupation of land plots, as well as from restrictions on the rights of landowners, users, and lessees, or from deterioration in land quality resulting from the activities of legal entities or individuals, including any loss of profit, shall be fully compensated. In cases of land acquisition, compensation shall also cover losses incurred by landowners due to the early termination of obligations towards third parties. Legal entities and private individuals who have acquired withdrawn lands, as well as legal entities and private individuals whose activity has led to the limitation of the rights of owners, users and lessees of land or deterioration of the quality of adjacent lands, shall compensate the damage caused, including the potentially lost benefit, in an order established by the present Code and other regulatory and legal acts.

Law on the Acquisition of Land for State Needs

The Law on Acquisition of Lands for State Needs, dated 20 April 2010, directly regulates matters related to involuntary resettlement. The law covers issues such as the land acquisition process and institutional arrangements, compensation and valuation principles, consultation requirements, the rights of different categories of displaced persons, and the accessibility of a grievance mechanism.

The law adopts a broad definition of affected persons, covering not only formally registered rights holders but also unregistered users, tenants, individuals who have informally used land for a long period, and persons who do not have legal rights to the land on which they reside. It provides resettlement assistance and compensation for non-land assets for individuals without legal rights to the land.

Article	Description
Article 4: The main powers of the state regarding land acquisition	Land required for state needs or held in shared ownership must be transferred to the state based on an agreement with the owner(s). The state must strive to reach an agreement with affected individuals and is obligated to pay either the market or replacement price for the land. The state cannot exercise its powers under this law until this obligation is fulfilled.
Article 5: Lands eligible for acquisition	Regardless of whether the land is under use or lease, and irrespective of any established encumbrances

	(restrictions) related to land use, the following lands may be acquired for state needs in accordance with this Law: • Lands under private ownership; • Lands under municipal ownership. Rights of use and lease over state-owned lands shall be withdrawn for state needs.
Article 54: Compensations for persons affected by land acquisition	All persons affected by land acquisition who have legal rights over the land are entitled to fair compensation as specified by this law for their land or related rights. Compensation is provided through the project necessitating the land acquisition.
Article 56: Factors to be considered in the assessment of compensation	• Compensation payable to affected persons shall be based on the principle that all individuals who suffer loss or inconvenience as a result of displacement are assisted in restoring their property, livelihoods, income, and living standards within a reasonable period, so that they are not placed in a worse position than prior to displacement. Current inflation at the time of assessment; • The market value of the land as determined under Article 58 of this Law; • In cases where only a portion of the land is acquired, any loss caused to the person as a result of the acquired portion being separated from the remaining land; • Any loss or potential loss to the person's other movable or immovable property or actual income as a result of the acquisition of land ownership; • All costs and losses arising from relocation if the person is forced to move their residence, business premises, or workplace due to the acquisition.

The Civil Code

The Civil Code, Articles 246, 247, 248 and 249 includes provisions for the acquisition of land for state needs, which is applicable to the Project.

Article	Description
Article 246: Compulsory Acquisition of Land for State or Public Needs	Decision on compulsory acquisition of land plot for state or social needs shall be issued by relevant body of executive authority according to Article 157.9 of this Code. Decision of relevant body of executive authority relating to expropriation of land plot for state or social needs shall be registered in the state register of immovable property. Body of executive authority issuing decision on condemnation of land plot shall send to landowner a written notification about it.
Article 247: Sale price of land plot purchased for state or social needs	Sale price, purchase periods and other terms of land plot expropriated for state or social needs shall be established in agreement with owner of plot. Agreement shall include obligation of the state to pay sale price for condemned plot.

	In the course of establishing sale price, the price shall include market price of land plot and immovable property located on it, as well as all damage inflicted upon owner as a result of expropriation of land plot including lost profit, and damage inflicted on him as a result of premature termination of his obligations owed to third persons. Owner may be granted, according to agreement with him, another land plot in exchange for a land plot expropriated for state or social needs and with inclusion of its value in sale price.
Article 248: Submitting of claim on decision on compulsory acquisition of land plot for state or social needs	In the event an owner does not agree with decision of respective executive authority on expropriation of land plot for state or social needs or there has not been secured an agreement with him relating to sale price and other terms of sale, he may apply to court on such decision. Claim on decision relating to expropriation of land plot for state or social needs may be submitted within one year of dispatch to owner of plot of notification specified in Article 246.3 of this Code.
Article 249: Rights of owner of land plot expropriated for state or social needs	Owner of land plot expropriated for state or social needs may, from the moment of issuance of decision on expropriation of plot till the moment of securing an agreement on purchase of land or moment of issuance of court decision, carry out possession of plot, its use and disposition and incur expenses necessary for provision of use of land in accordance with its designation. Risk of applicability to owner, in the course of establishment of land plot's sale price, of expenditures and damages connected with construction on plot of new buildings and installations, extension and reconstruction of old ones shall be born by him.
Article 261. Compensation for easement	Unless otherwise provided in the contract, the owner of the immovable property encumbered by an easement **may** demand a fee for the use of the area from the authorized persons in whose favour the easement was established. The amount of the fee is determined by agreement of the parties, or if it is impossible to reach an agreement, by a court decision.

Other Relevant Legislations

The table below provides a summary of other relevant legislation applicableto the Project.

Article	Description
Law on Land Market (1999, No: 665-IQ)	It outlines the legal framework for land transactions, including ownership, lease, and use rights, as well as procedures for land registration and market operations. The law aims to facilitate fair and efficient land market activities, promote investment in land, and ensure

	sustainable management of land resources across the country.
The Flat Code	The Code states that acquisition of residential lands and residential building on the land should be acquired by the provisions of the Land Acquisition Law.
Law of Azerbaijan Republic on the state land cadastre, land monitoring and land management (1998, No: 593)	This Law defines the legal framework for ordering the state land cadastre, land monitoring and land management works in the Azerbaijan Republic.
Law of Azerbaijan Republic on land lease (1999, No: 587-IQ)	This law defines the legal framework for the lease of lands in state, municipal and private ownership, and lease relations in the Azerbaijan Republic. The law states that (Article 16) when the leased land is acquired for state needs, another land plot having a same size and a same quality can be provided to lessee. Losses incurred in this land shall be paid in accordance with the legislation.
Law on Valuation Activity	The law states that valuation of the real estate is mandatory in the cases of land acquisition for state needs and the results of the valuation are to be reflected in a valuation report.
Law of Azerbaijan Republic on Electricity (2023, No: 858-VIQ)	The Law applies to subjects of electric energy, consumers and state bodies (institutions) operating in the field of production, storage, transmission, distribution, supply, import, export and consumption of electric energy in accordance with Article 94, Part I, item 11 of the Constitution of the Republic of Azerbaijan. It regulates the relations between them and determines the legal, economic and organizational bases of the electric energy sector.
Law of Azerbaijan Republic on the management of municipal lands (2001, No: 160-IIQ)	This Law regulates the general rules for the transfer of municipal lands to ownership, use and lease, taking into account the peculiarities of their management, legal relations in the field of their use and protection.
Cabinet of Ministers' Resolution (2012, No:45)	Resolution of the Cabinet of Ministers’ of the Republic of Azerbaijan on Approving of guidelines for preparation of Resettlement Plan and Resettlement Guideline
Rules for assigning lands to categories and transferring them from one category to another (2017, No: 10)	Agricultural lands (arable lands) are specially protected and their transfer to other categories for non-agricultural purposes is permitted in exceptional cases in accordance with the Land Code of the Republic of Azerbaijan and on the basis of the requirements of the "Rules for assigning lands to categories and transferring them from one category to another"
Law of the Republic of Azerbaijan "On the Underground" (1998, No: 439-IQ)	It regulates the development, efficient use, safety and protection of underground resources, including the Azerbaijani sector of the Caspian Sea. The law specifies the main property rights and duties of users. Certain restrictions are placed on the use of mineral resources based on environmental protection considerations, public health and economic interests.

Decision of The Cabinet of Ministers of the Republic of Azerbaijan on "Dimensions of power grid protection zones and requirements for conducting economic activities in those areas". (2024, No: 261)	The decree mandates the establishment of a Grid Security Zone around low to high-voltage overhead transmission lines. A buffer with a lateral extent (from outermost conductor) of 30 metres is required 330-500 kV overhead power lines, where land use such as construction and demolition of buildings, high- rise irrigation and machinery as well as trees are prohibited. Grid security zones and relevant land use restrictions do not apply to PV power plants.

2.2. World Bank ESF and associated ESSs

Within the scope of resettlement processes, the project will be implemented in accordance with the World Bank's ESF and associated ESSs. These ESSs have been established to ensure that the environmental and social impacts of the project are managed in accordance with the highest international standards, and cover key environmental and social issues.

ESS1: Assessment and Management of Environmental and Social Risks and Impacts

ESS2: Labor and Working Conditions

ESS3: Resource Efficiency and Pollution Prevention and Management

ESS4: Community Health and Safety

ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS8: Cultural Heritage

ESS9: Financial Intermediaries

ESS10: Stakeholder Engagement and Information Disclosure

This RAP has been developed in accordance with ESS5. The Standard provides a comprehensive framework aimed at preventing, minimizing, and mitigating the adverse social and economic impacts that project-related land acquisition and restrictions on land use may have on individuals, households, businesses, and communities, while safeguarding the living standards of affected persons. The Standard adopts an approach that covers both physical displacement and economic displacement that results in the loss of livelihoods.

According to the ESS5, ‘affected persons’ may be classified as persons:

- Who have formal legal rights to land or assets;
- Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law;
- Who have no recognizable legal right or claim to the land or assets they occupy or use. The census described in paragraph 20 will establish the status of the affected persons.

The key principles of ESS5 emphasize a hierarchy of avoidance and minimization. During project design, alternative sites and technical solutions should be considered, the need for land acquisition should be minimized, and the number of affected persons reduced. Acquisition of land rights through voluntary agreement is encouraged.

In cases where involuntary resettlement is unavoidable, it is essential that affected persons are engaged early in the process and that meaningful consultation mechanisms are established.

Compensation and livelihood restoration are calculated on the basis of “full replacement cost.” This approach covers the acquisition of assets of equivalent value, market value, transaction and relocation costs, and transitional support. Compensation payments must be made prior to physical or economic displacement. ESS5 aims not only to restore affected persons to their previous living standards but, where possible, to improve them.

ESS5 also provides for the establishment of a “cut-off date” for the purpose of determining eligibility. This date is determined during the resettlement census and is disclosed to the public.

Stakeholder engagement, grievance mechanisms, and monitoring are core requirements for ESS5 implementation. Consultation processes should begin at the earliest stages of the project cycle and be inclusive, with particular efforts made to obtain the views of women, youth, the elderly, and vulnerable groups. Grievance mechanisms must be accessible, transparent, and effective, and should not restrict affected persons’ rights to judicial recourse. Implementation of the resettlement plan is monitored through systematic process- and outcome-focused monitoring.

2.3. Gap Table and Mitigations Between World Bank ESSs and Azerbaijan Legislation

Table 2-1. Gap Table and Mitigations Between WB and Azerbaijan Legislation

Topic/Issue	World Bank Standards	Azerbaijan Legislation	Gaps Identified	Measures to Close Gaps
Avoidance and Minimisation	The Client will consider feasible alternative project designs to avoid or minimize land acquisition or restrictions on land use, especially where this would result in physical or economic displacement, while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable.	Any land required for state needs can be transferred to the state upon reaching an agreement with the owner. Avoidance and minimisation of displacement is not required by national law.	The avoidance and minimization of impacts is not required by national legislation, but it is required by the World Bank.	This RAP has been undertaken to ensure that impacts on land users are avoided or minimized where possible, including thorough considerations of micro-routing options during the design phase. Where impacts cannot be avoided, they will be mitigated through appropriate exercise of entitlements, meaningful consultation, and effective monitoring mechanisms implemented throughout the design and implementation of the RAP.
Resettlement and/or Livelihood Restoration Plan	RAPs will be prepared in line with the provisions of the World Bank's ESS5. In particular, a census, socio-economic survey and consultation with PAP will be conducted while preparing a RAP and its implementation will be monitored and reported, irrespective of numbers of people affected	Under the national legislation (LALSN, 2010), in cases where the number of people to be relocated 100 meters away from their land exceeds 200, a resettlement plan is to be prepared. In other cases, only a resettlement manual will be prepared.	National legislation only requires the preparation of an RAP for relocations above a certain number; ESS5, however, requires the preparation of an RAP regardless of the number.	RAP has been prepared to bridge the gap between legal regulations and World Bank Standards.
Eligibility	Eligible persons may be classified as persons: (a) Who have formal legal rights to land or assets; (b) Who do not have formal legal rights to land or assets, but have a claim to	According to Article 7 of the Azerbaijan Land Acquisition Law, persons who have legal rights to the land on which they live are entitled to compensation, while those who do not have legal rights to the land they occupy are	National legislation provides for full compensation only to legal rights holders. The compensation and livelihood support mechanisms provided for in ESS5 are not available to users who do not have legal rights.	The eligibility for compensation and scope of this draft RAP includes all PAPs within the Project site including those without any recognisable legal rights to the land that they are using the land for grazing/farming

Topic/Issue	World Bank Standards	Azerbaijan Legislation	Gaps Identified	Measures to Close Gaps
	land or assets that is recognized or recognizable under national law; or (c) Who have no recognizable legal right or claim to the land or assets they occupy or use.	provided only with relocation assistance. This assistance does not include compensation for immovable property or support aimed at covering damage to their movable property incurred during relocation.		purposes. Ref. Chapter 7 for details on the eligibility and entitlements.
Compensation for Loss of Land- full replacement cost	Economically displaced persons who face loss of assets or access to assets will be compensated for such loss at replacement cost. Persons with legally recognized or recognizable land rights under national law will be provided with replacement property of equal or greater value (e.g., agricultural or commercial land) or, where appropriate, cash compensation at replacement cost. Economically displaced persons without legally recognized land rights will be compensated at full replacement cost for lost assets other than land, such as crops, irrigation infrastructure, and other improvements made to the land. In addition, support will be provided in lieu of land compensation to enable these persons to reestablish their livelihoods at an alternative site. Compensation or support is not required for individuals who occupy the project area after the eligibility cut-off date.	All persons affected by acquisition are entitled to fair compensation in accordance with the Land Acquisition Law. The 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". An easement imposes restrictions on land use, such as prohibiting the construction of structures or planting of trees above a certain height. The principle is that if existing rights are not diminished or affected, no compensation is due. This applies to land designated as agricultural where current or future usage rights are not impacted. However, if an easement is registered and the restrictions on land rights result	The legal framework embraces the principle of fair compensation and provides for the payment of market value or replacement cost for land; in this respect, it is largely consistent with the rights of legal rights holders. However, no support mechanisms have been established for the compensation of economic users without legal rights over the land for their off-land asset losses and the restoration of their livelihoods. According to the legal framework, easements that do not reduce the current value of the land do not require compensation. In contrast, ESS5 considers any restriction on land use that affects land rights as a potential loss of rights and may require compensation	An entitlement matrix has been prepared for the project; this document generally shows eligible individuals, households, and businesses entitled to compensation and assistance. Those without legal land rights have been included in the entitlement matrix with compensation provided. Households using public land have been included in the rights matrix and will thus be provided with compensation or assistance. The rights granted under the LRP are defined in the entitlement matrix.

Topic/Issue	World Bank Standards	Azerbaijan Legislation	Gaps Identified	Measures to Close Gaps
	According to ESS5, any restriction on land use that affects land rights—such as an easement—may be considered a loss of land rights and could require compensation	in a reduction of the land's value, compensation would be required		
Compensation for Structures	The Client will offer the choice of replacement property with security of tenure, of equal or higher value, and with equivalent or better characteristics and locational advantages, or cash compensation at replacement cost. Compensation in kind should be considered as an alternative to cash. For physically displaced persons, the Client will make arrangements to enable them to obtain adequate housing with security of tenure. Where such displaced persons own structures, the Client will compensate them for the loss of assets other than land — including dwellings and other improvements to the land — at replacement cost. Based on consultations with these displaced persons, the Client will provide relocation assistance in lieu of land compensation sufficient to enable them to restore their standards of living at an adequate alternative site.	Compensation to be determined based on market value as well as replacement value. In case both principles are applicable, the one that provides larger compensation will be applied.	Determining compensation based on market or replacement value, applying the higher amount, is largely consistent with ESS5. However, the provision of a replacement property option, security of tenure, equivalence of locational advantages, and offering in-kind compensation as an alternative are not explicitly regulated in the legislation.	Houses/buildings will be valued at replacement value based on market value, cost of materials, type of construction, labour, transport and other construction costs. No deductions will be applied for depreciation, salvaged materials and transaction costs.
Addressing Loss of Livelihoods	In the case of projects affecting livelihoods or income generation, the Client's plan will include measures to allow affected persons to improve, or at	No additional provisions have been considered for	World Bank Standards state that persons affected by the project should be granted the right to compensation that will restore	Measures to address the need to compensate for loss of livelihood are outlined in the entitlement matrix.

Topic/Issue	World Bank Standards	Azerbaijan Legislation	Gaps Identified	Measures to Close Gaps
	least restore, their incomes or livelihoods. Affected businesses and employees will be supported through compensation for losses, transition assistance, and measures such as relocation support, training, and alternative livelihood opportunities. Where replacement land or resources are not available, additional support—including financial assistance and employment or business development options—will be provided.	supplementary support to PAPs experiencing income loss.	their livelihoods to at least the level they were at before the project.	
Community and Public Resource Losses / Common Property Resources	For persons whose livelihoods are based on natural resources and who are subject to access restrictions, measures will be implemented to ensure continued access to the affected resources or to provide access to alternative resources with equivalent livelihood potential and accessibility. Where common property resources are affected, the benefits and compensation provided may be collective in nature.	There is no legal provision in national legislation to compensate for the loss of affected natural resources.	National legislation does not contain any regulations regarding compensation for natural resource losses or the provision of alternative resources.	Measures to provide compensation to affected communities and public resources have been included in the entitlement matrix.
Measures for Vulnerable Persons	As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods.	There is no requirement for vulnerable groups in relation to livelihood restoration.	The national legislation governing land acquisition does not address vulnerable groups, but additional measures should be taken for these groups according to WB standards.	Vulnerable groups identified will be provided assistance in accordance with World Bank Standards.
Monitoring and Evaluation	Arrangements for monitoring of displacement and resettlement activities by the implementing agency,	No provision for monitoring in provided in the Azerbaijan Laws	National legislation does not contain provisions for monitoring expropriation or resettlement practices or their effects.	A monitoring mechanism has been established for the RAP implementation. The project's land

Topic/Issue	World Bank Standards	Azerbaijan Legislation	Gaps Identified	Measures to Close Gaps
	supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.		World Bank Standards indicate the need to monitor and evaluate resettlement and the restoration of livelihoods.	acquisition will be monitored and reported regularly in accordance with internal and external monitoring requirements.
Level and timing of Community Engagement / Consultation / Negotiation / Participation	The Client will engage with affected communities, including host communities, through the stakeholder engagement process defined in ESS10. Decision-making on resettlement and livelihood restoration will provide affected persons with options and alternatives, ensuring informed choice. The Project will ensure timely disclosure of information and meaningful participation of affected communities throughout design, planning, implementation, and monitoring processes.	Public meetings are to be conducted to discuss land expropriation proposal at the preparatory stage.	The expropriation process includes informing landowners, but social studies, surveys, and consultations are not required prior to land acquisition. There is no SEP requirement in national legislation.	The project started consultation during RAP preparation, will continue to consult with the identified PAPs, vulnerable groups and other relevant stakeholders in line with the lenders' requirements throughout RAP disclosure, the land acquisition, RAP implementation, construction and operation phase. An SEP has also been developed for the project and will be updated to reflect tasks under RAP.
Gender	ESS5 requires that land acquisition and resettlement processes be planned and implemented in a gender-sensitive manner. The Standard recognizes that displacement and livelihood loss may	Azerbaijan's legal framework governing land acquisition and property is based on the principle of legal equality between women and men and does not provide	National legislation does not require gender-sensitive consultation or the identification of gender-specific risks and opportunities. This is deemed necessary by the Bank.	The consultation undertaken for the project's RAP preparation has gathered the views of both males and females through surveys, focus groups, and broad-based

Topic/Issue	World Bank Standards	Azerbaijan Legislation	Gaps Identified	Measures to Close Gaps
	affect women and men differently, and therefore calls for meaningful participation of women in consultations and decision-making related to compensation and livelihood restoration, consideration of intra-household impacts, and targeted support for women in vulnerable situations.	for gender-based discrimination. The Constitution, the Civil Code, and land-related legislation guarantee that property and inheritance rights are exercised regardless of gender. However, the legislation concerning land acquisition and resettlement does not explicitly include provisions addressing gender-specific needs or special support measures for women.		consultations targeting the community and women. The measures in the RAP and the updated SEP ensure that this continues throughout the Project.
Project-level Grievance Redress Mechanisms	The Client will ensure that a grievance mechanism for the project is in place, in accordance with ESS10 as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion. Where possible, such grievance mechanisms will utilize existing formal or informal grievance mechanisms suitable for project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an impartial	Grievance Commission (Article 75 of LALSN, 2010) to be appointed in large scale projects in case of necessity. The Executive Agency, Land Acquisition Group, Control Agency, local Executive Power, municipalities are able to receive, consider, and solve grievance and requests.		A grievance mechanism is presented in the SEP and this RAP and will be operationalised for the Project in order to allow the PAPs and other stakeholders to submit their grievances.

3. Methodology

The preparation of this RAP was undertaken through a combination of desktop review, fieldwork, data analysis, and plan development. The methodology adopted integrates the review of existing project documentation and legal frameworks, primary data collection through field surveys and stakeholder consultations, and analytical assessment to inform the design of mitigation measures, entitlements, and implementation arrangements. The overall approach is outlined below.

3.1. Desktop Study

The RAP methodology is aligned with the RAP preparation approach outlined in the Resettlement Policy Framework (RPF). It follows a structured process comprising comprehensive document review, data collection, analysis, and report preparation.

The desktop review was initiated with an assessment of key Project documentation, including:

- The Environmental and Social Impact Assessment,
- The Environmental and Social Due Diligence,
- The Resettlement Policy Framework (RPF)
- The Stakeholder Engagement Plan (SEP),
- Inception Report
- Azerenerji Project Impacts tables
- Pylon Location Valuation Reports
- Pylon Location Inventory Report
- Valuation Report and Inventory for Easement Locations
- Survey Results for Pylon Locations and Easement Locations

In addition, national and regional reports, region-level socio-economic data, and applicable local and national legislation were reviewed to establish an understanding of the baseline socio-economic conditions and regulatory context. Technical documentation—including detailed census data, route maps, and databases on affected parcels and households—was also analyzed to quantify the scale and nature of land acquisition impacts and to inform the development of the RAP.

3.2. Field Study

As part of the fieldwork, ~~on the first step~~ field-based asset inventory and valuation studies were carried out to document affected assets and support the determination of compensation measures. Household surveys were conducted with PAPs impacted by pylon locations and easement areas to collect socio-economic data and assess potential impacts. In addition, surveys of affected businesses were undertaken to identify impacts on commercial activities and income sources. To ensure the reliability and accuracy of the data collected, verification visits and follow-up interviews were conducted in selected settlements. These activities enabled cross-checking of survey results and provided additional qualitative insights to support the overall impact assessment and RAP preparation. Accordingly, the field study was implemented through a phased approach to ensure comprehensive data collection and validation. The phased methodology ensured a robust and reliable evidence base to inform the development of the RAP, including impact assessment, entitlement design, and livelihood restoration planning.

Work carried out as part of the fieldwork;

1. Asset census September 2025
2. Household surveys conducted for households affected by pylons locations (October 2025) and easement (January 2026)
3. Surveys of affected businesses (November 2025)
4. Verification field (February 2026)

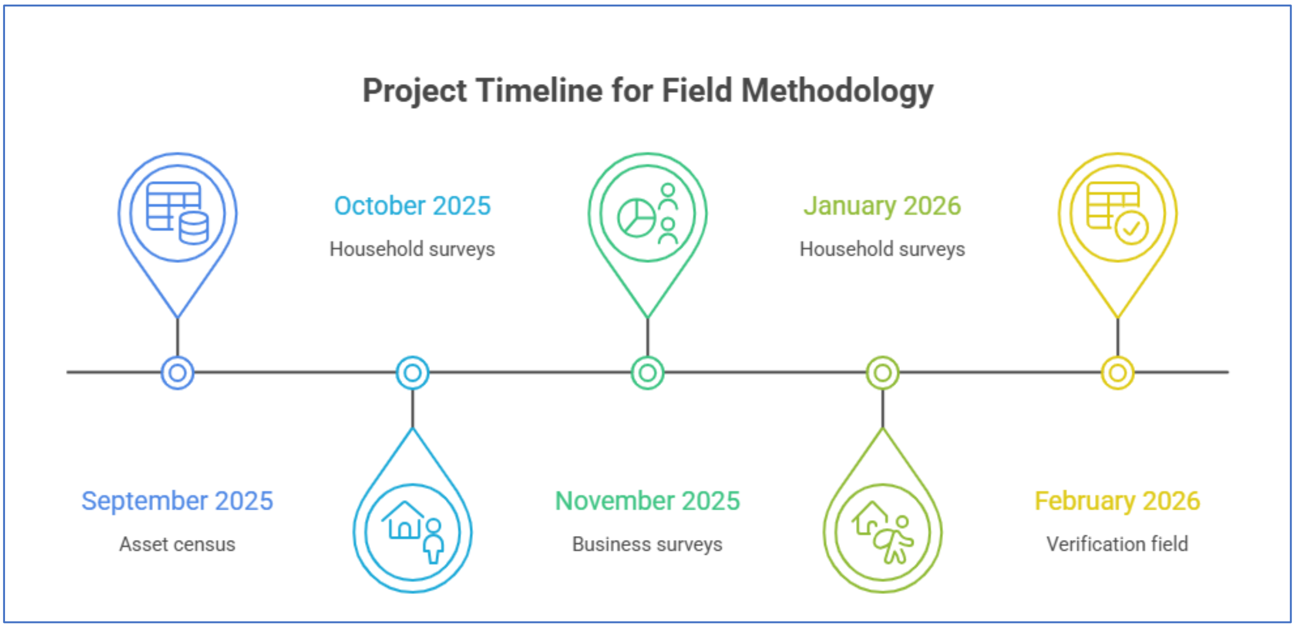


Figure 3-1. Project Timeline for Field Methodology

3.2.1. Asset Census

An on-site asset inventory for pylon locations and lands affected by easements was conducted by an independent valuation firm engaged by Azerenerji. Fieldwork was carried out in two phases between 03.09.2025–29.09.2025 and 03.10.2025–29.10.2025, covering all affected locations along the project corridor.

The asset inventory systematically recorded each pylon location and impacted land parcel, documenting key parameters such as geographic location, type and extent of impact, land classification, and identification of land users. Individual files were prepared for each affected parcel as part of the census process, ensuring traceability and consistency of data across all impacted assets. Based on the findings of the field surveys, the valuation reports were finalized on 03.11.2025.

3.2.2. Socio-economic Household Surveys

The household and business survey questionnaires developed and used during fieldwork. Prior to field implementation, surveyors received training on 02.09.2025, followed by a pilot pylon survey conducted on 03.09.2025. Based on the pilot results, the survey tools were refined and finalized on 04.09.2025 to ensure clarity, consistency, and data reliability. Household survey forms are also provided in Appendix 1.3

The survey of households affected by pylon locations was conducted by Azerenerji's survey team between 07.10.2025 and 20.10.2025. It was initially planned to conduct surveys with all PAPs, with a target of 337 surveys. Following the fieldwork, 247 surveys were completed (73%). After data entry and quality control, 9 surveys were excluded (3%), resulting in a total of 238 valid surveys (70%). At 90 pylon locations (24%), households either declined to participate or were not available at the time of the survey. They stated that they did not have sufficient information about the project as the reason for not responding to the survey. While this represents a non-response rate, the achieved sample is considered broadly representative of the affected population. Nonetheless, this limitation has been taken into account in the analysis, and findings have been complemented with verification fieldwork and qualitative consultations to ensure robustness. For the pylon surveys, a total of 45 settlements across 8 regions were visited, and 238 households were interviewed. Of the respondents, 16% were female, indicating relatively limited female participation in the survey process. The aim of the household surveys was to achieve 100% survey of impacted PAPs from the loss of land to pylons.

Similarly, the survey of households affected by easement areas was conducted between 12.01.2026 and 23.01.2026. During this phase, 22 settlements across 6 regions were visited, and a total of 358 households were interviewed, of which 13% were female. The number surveyed households were higher than targeted representative value of 314. Summary of easement sampling methodology is included in the appendix 1.10

Box 1: Sampling Methodology for Easement-Affected Persons

The sampling methodology for easement-affected landowners and users was designed in accordance with World Bank ESS5 and good international practice, ensuring representativeness, transparency, and statistical robustness.

Database preparation: A parcel-based database covering 2,226 affected parcels across 8 regions and 64 settlements was developed and subsequently converted into a Project Affected Persons (PAP)-based dataset. Following consolidation of duplicate records, a total of 1,823 individuals were identified.

Exclusion of previously surveyed individuals: Individuals who had already participated in earlier surveys were removed from the sampling frame, resulting in a final eligible population of 1,715 individuals across 61 settlements.

Sample size determination: A minimum sample size of 314 respondents was calculated based on a 95% confidence level and 5% margin of error. To account for non-response risks, the sample size was increased by 15%, resulting in a target sample of 361 surveys.

Stratified sampling: The sample was proportionally allocated across regions based on the distribution of affected persons, ensuring geographic representativeness.

Conditional restricted sampling: To improve statistical reliability, settlements with very small affected populations were excluded from direct sampling, and a minimum threshold of five surveys per settlement was applied. Survey allocations were reallocated within each region, reducing the number of sampled settlements from 61 to 22 while maintaining proportional representation.

Random selection of respondents: Within selected settlements, respondents were selected using a randomized Excel-based approach, ensuring unbiased selection. Three respondent lists (primary and two reserves) were generated to address non-response.

Full coverage approach: For users of municipal and state-owned land, a full enumeration approach was applied due to the limited number of affected persons.

Overall, the fieldwork covered **45 settlements across 8 regions, with a combined total of 596 households surveyed**. Female participation across both survey phases was low and accounted for approximately 14% of respondents. The survey results provide a comprehensive socio-economic baseline and support the identification of potential project impacts, particularly in relation to land use, livelihoods, and vulnerability.

Detailed breakdowns of the survey results by region, settlement coverage, and gender distribution are presented in Tables 3.1, 3.2, and 3.3.

Table 3-1. Pylon Locations Survey Summary

No	Region	Number of Visited Settlements	Number of People Surveyed	Male	Female
1	Aghdash	6	46	40	6
2	Aghsu	17	77	61	16
3	Goychay	7	34	31	3
4	Hajigabul	2	19	17	2
5	İsmayilli	2	3	3	0
6	Mingachevir	1	2	2	0
7	Shamakhi	5	34	28	6
8	Yevlakh	5	23	18	5
	Total	**45**	**238**	**200**	**38**
	%	**100%**	**100%**	**84%**	**16%**

Table 3-2. Survey of Easement Areas

No	Region	Number of Settlements	Number of People Surveyed	Male	Female
1	Aghdash	5	81	78	3
2	Aghsu	7	95	83	12
3	Goychay	3	107	91	16
4	Hajigabul	1	12	11	1
5	Shamakhi	3	40	35	5
6	Yevlakh	3	23	14	9
	Total	**22**	**358**	**312**	**46**
	%	**100%**	**100%**	**87%**	**13%**

Table 3-3 Summary of Fieldwork

No	Region	Number of Visited Settlements	Number of People Surveyed	Male	Female
1	Aghdash	6	127	118	9
2	Aghsu	17	172	144	28
3	Goychay	7	141	122	19
4	Hajigabul	2	31	28	3
5	İsmayilli	2	3	3	0
6	Mingachevir	1	2	2	0
7	Shamakhi	5	74	63	11
8	Yevlakh	5	46	32	14
	Total	**45**	**596**	**512**	**84**
	%	**100%**	**100%**	**86%**	**14%**

A survey was conducted with 9 businesses affected by the project's pylon locations and easement. 1 business declined to be interviewed. The business survey form is also provided in the appendix 1.4. They stated that they did not have sufficient information about the project as the reason for not responding to the survey.

Table 3-4 Survey of Businesses

No	Business	Affiliated Region
1	3 Qovaq Fruit" LLC	Aghdash
2	A+Zetta KT" LLC	Yevlakh
3	Agro-Azərİnvest" LLC	Yevlakh
4	Agrodairy" LLC	Hajigabul regionu
5	Agrofront LLC	Goychay
6	Agrowest" LLC	Yevlakh
7	Goychay Agro" LLC	Goychay
8	Kraun KO-R" LLC	Yevlakh
9	Türyançay KT" LLC	Aghdash

3.2.3. Verification Field Study

Following the receipt of the complete census dataset, a comprehensive data validation and quality control process was undertaken. This included checks for data consistency, application of necessary data cleaning procedures, and verification of key variables. Affected parcels were classified by ownership status, and the types and magnitude of impacts were systematically identified. Vulnerable groups were also preliminarily identified during this stage based on available socio-economic indicators.

The verification process was supported by in-depth interviews, focus group discussions, and targeted sampling from the completed surveys. The sampling approach ensured representation across all regions and reflected varying levels of impact intensity to capture a balanced and representative sample of affected stakeholders. Verification field included visits to businesses, orchards that may be impacted from Project's land acquisition. Land acquisition impacts associated with previous investments in the Project area were also reviewed to better understand past land acquisition experiences, stakeholder perceptions, and the cumulative social impacts within the Project area.

Field verification activities were conducted between 15–20.02.2026, covering 27 settlements across 7 regions. During this phase, consultations were held with a total of 125 affected landowners (including 5 women), 29 municipal representatives, 3 formal tenants, 1 informal tenant, and 1 affected business. These consultations provided qualitative insights to validate survey findings, confirm impact pathways, and strengthen the overall robustness of the RAP analysis. A detailed list of the verification site visits is provided in Appendix 1.2.

Table 3-5 Field Outputs

No	Field Outputs	Number
1	Region Visited	7
2	Number of Settlements	27
3	Municipal Representative Met	29
4	Landowners/Shareholders Whose Land Is Affected	125
5	Female Landowners/Shareholders	5
6	Male Landowners/Shareholders	120
7	Legal Tenants	3
8	Illegal Tenants	1
9	Affected Businesses	1
10	Number of Land Inspections	10

3.3. Limitations

Due to adverse weather conditions during the fieldwork for the asset inventory, it was not possible to adequately determine whether crops were present on the land. During verification study, crops were identified and the entitlement matrix is devised based on the findings of the verification study.

Socio-economic household surveys were not conducted with all households located on lands affected by the easement; instead, the survey was carried out using a sampling approach. The sampling methodology for the easement was accepted by the World Bank prior to field visit.

4. Socio-Economic Baseline

4.1. Demography and Household Profiles

The table below shows the population change in the regions between 2019 and 2024. Overall, the population is seen to be on an upward trend in all regions. The highest population growth over the five year period was observed in Shamaxı at 4.3%, while the lowest population growth was recorded in Mingachevir at 1.6%. Per annum population growth is less than 0.8 % per annum. This is in line with the national population growth that is around 0.6%.

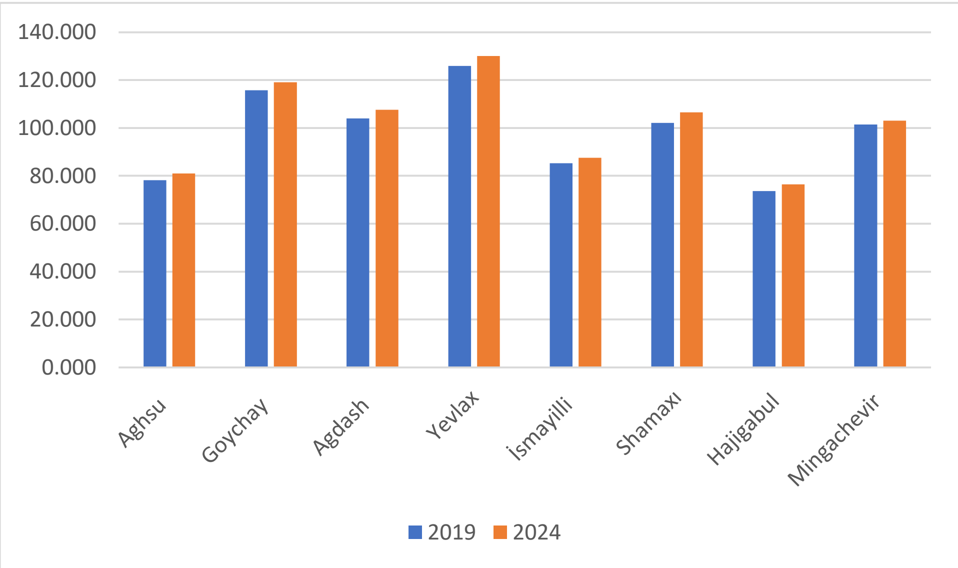
Table 4-1 Population Information of Regions

No	Region	2019 Population of the Region	2024 Population of the Region	Population Change over 5 years (%)
01	Aghsu	78,200	81,000	+ 3.5%
02	Goychay	115,700	119,100	+ 2.9%
03	Agdash	104,000	107,600	+ 3.4%
04	Yevlakh	125,900	130,000	+ 3.2%
05	İsmayilli	85,300	87,500	+ 2.5%
06	Shamaxı	102,100	106,500	+ 4.3%
07	Hajigabul	73,600	76,400	+ 3.8%
08	Mingachevir	101,400	103,100	+ 1.6%

Source: AZSTAT, 2026

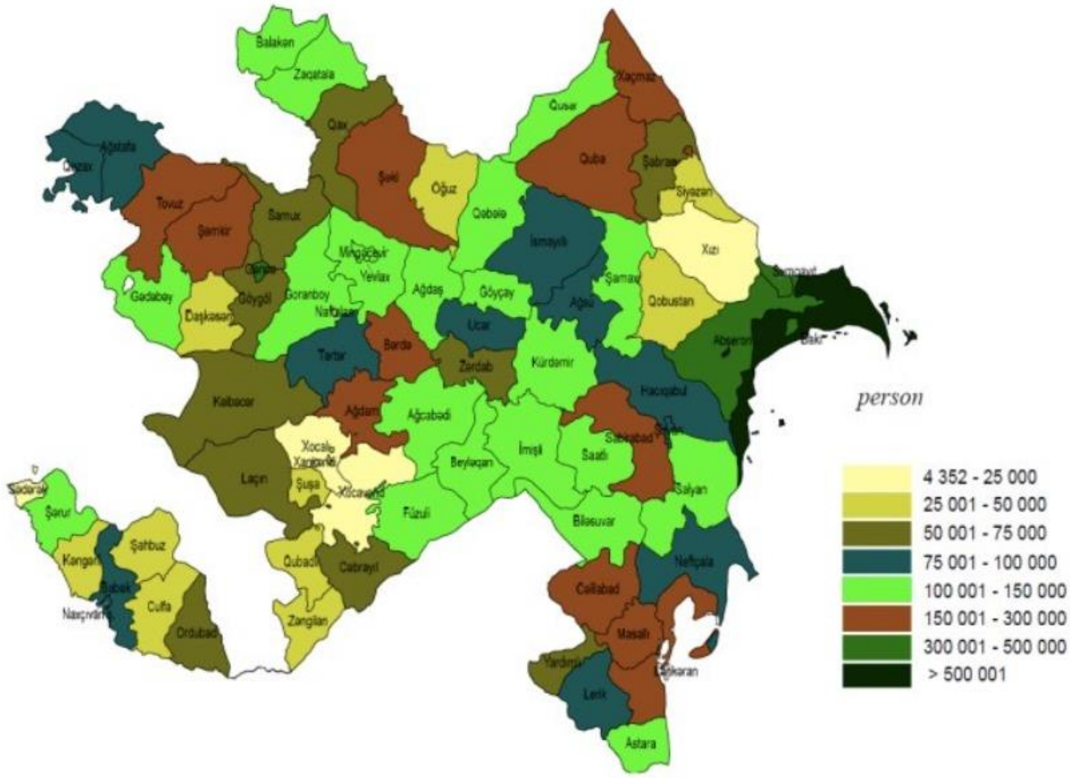
Population changes over the past 5 years are shown in detail in the graph below.

Figure 4-1 Population Change of Regions



The population map of the areas affected by the Project is given below.

Figure 4-2 Distribution of Population by Administrative Territorial Units



Household surveys were conducted to collect demographic information about households. Among the 2,907 individuals, the distribution of females and males appears balanced, while individuals aged 19–64 constitute the largest share in terms of age groups. The percentage of students enrolled in education while of school age is 78%. 3% of participants receive social assistance support. Regarding housing status, the vast majority of households live in their own homes, while a smaller proportion live in family homes or rented accommodation. The table below provides detailed demographic information on the regions.

Table 4-2 Demographic Information of Household Members

No	Region	Number of people permanently living in your household	Female	Male	0-18 Years	19-64 Years	Over 65 years	Number of children in education	Any members in your household receiving support/assistance from social services - Number of YES Answers	Number of individuals in receiving support/assistance from social services	Own House	Family House	Rent
1	Aghdash	568	286	302	120	399	50	109	12	11	117	8	2
2	Aghsu	829	419	410	227	541	99	157	12	11	131	38	3
3	Goychay	604	304	300	127	412	59	102	3	4	121	17	2
4	Hajigabul	182	91	91	46	114	22	32	3	2	27	4	
5	İsmayilli	12	5	7	1	11		3	1	1	3		
6	Mingachevir	9	4	5	1	7	1	1			2		
7	Shamakhi	478	228	250	136	251	47	104	28	33	60	13	1
8	Yevlakh	225	112	113	65	131	29	54	13	16	43	3	
	Total	**2.907**	**1.449**	**1.458**	**723**	**1.866**	**307**	**562**	**72**	**78**	**504**	**83**	**8**
	%	**100%**	**50%**	**50%**	**25%**	**64%**	**11%**	**78%**	**2%**	**3%**	**85%**	**14%**	**13%**

Source: Household Surveys, 2026

As part of the fieldwork, 596 heads of households were interviewed and information was collected about family types. According to the results obtained from the interviews, **extended families constitute the vast majority** (73%) of households. Nuclear families account for 25%, while single-person households account for only 2%. Extended family" refers to a family unit that includes not only the nuclear family (parents and children) but also other relatives such as grandparents, aunts, uncles, and cousin.

Table 4-3 Distribution of Family Types

No	Region	Nuclear	Extended	Single	Total	%
1	Aghdash	35	91	1	**127**	**21%**
2	Aghsu	42	126	4	**172**	**29%**
3	Goychay	36	104	1	**141**	**24%**
4	Hajigabul	10	20	1	**31**	**5%**
5	İsmayilli	1	2		**3**	**1%**
6	Mingachevir		2		**2**	**0%**
7	Shamakhi	14	58	2	**74**	**12%**
8	Yevlakh	11	32	3	**46**	**8%**
	Total	**149**	**435**	**12**	**596**	
	%	**25%**	**73%**	**2%**		**100%**

Source: Household Surveys, 2026

The age and marital status information reveals the social structure of the households. 87% of the heads of households are male, while 13% are female. In terms of marital status, 87% are married, 9% are widowed, 3% are single, 0.7% are divorced, and 0.3% are separated.

Although the average age varies by region, in general, heads of households are people over the age of 50. Only in Ismayilli is the average age 44.6, which is lower than in other regions.

Table 4-4 Marital Status of Head of Households

No	Region	Total	Average Age	Male	Female	Married	Single	Widow	Divorced	Separated
1	Aghdash	127	52,32	117	10	120	2	3	2	
2	Aghsu	163	57,06	148	24	148	5	17	1	1
3	Goychay	140	56,55	124	17	121	4	16		
4	Hajigabul	31	54,25	29	2	26	1	3	1	
5	İsmayilli	3	44,66	3		3				
6	Mingachevir	2	55,00	1	1	2				
7	Shamakhi	71	55,85	62	12	61	6	7		
8	Yevlakh	46	57,47	32	14	37	2	6		1
	No answer	13								
	Total	**596**		**516**	**80**	**518**	**20**	**52**	**4**	**2**
	%		NA	87%	13%	87%	3%	9%	0,7%	0,3%

Source: Household Surveys, 2026

As part of the fieldwork, 596 heads of households were asked about their educational background. The vast majority of heads of households (78%) were high school graduates, with university graduates coming in second at 20%. This is in line with the World Bank and United Nations data of 2023 that stated 17% of the population aged 25 and above in Azerbaijan had completed at least a bachelor's degree[1].

At lower education levels, uneducated individuals (1%) and elementary/middle school graduates (0.7%) constitute a very limited group. In addition, 0.2% of heads of households had not completed any

[1] https://www.ceicdata.com/en/azerbaijan/social-education-statistics/az-educational-attainment-at-least-bachelors-or-equivalent-population-25-years-total--cumulative?utm_source=copilot.com https://data.worldbank.org/indicator/SE.TER.ENRR https://data.un.org/en/iso/az.html

education. This distribution shows that, in general, the education level of heads of households is high, with high school and university graduates being predominant.

The table below provides detailed data on the educational status of heads of households by regions.

Table 4-5 Education status of Head of Households

No	Region	Total	Uneducated	Primary/Secondary	High School	University	Not Yet Completed
1	Aghdash	127	3		98	26	
2	Aghsu	172		1	128	42	1
3	Goychay	141	1	2	115	23	
4	Hajigabul	31		1	25	5	
5	İsmayilli	3			2	1	
6	Mingachevir	2			1	1	
7	Shamakhi	74	1		63	10	
8	Yevlakh	46	3		31	12	
	Total	**596**	**7**	**4**	**463**	**120**	
	%		**1%**	**0,7%**	**78%**	**20%**	**0,2%**

Source: Household Surveys, 2026

Employment information was collected from heads of households interviewed during the fieldwork. The total number of responses presented in the table is 699, reflecting the fact that some respondents reported engagement in more than one occupation.

The overall distribution indicates that unemployment is the most prevalent category, accounting for 34% of respondents, suggesting a relatively high level of economic vulnerability among affected households. This is followed by retirees (24%), while farmers (20%) and workers (18%) also represent significant shares of household heads. Smaller proportions are observed for civil servants (2%) and housewives (2%). Unemployment levels are particularly pronounced in Aghsu and Goychay, highlighting localized vulnerabilities. Notably, no respondents identified as tradesmen across the surveyed regions. All retirees are also engaged in agricultural activities. As a result, 44% of the population are farmers.

Table 4-6 Employment Status of Head of Households

No	Region	Total	Farmer	Retired	Tradesmen	Civil Servant	Worker	Unemployed	Housewife
1	Aghdash	135	16	27		5	31	54	2
2	Aghsu	204	35	56		4	32	73	4
3	Goychay	168	41	34			31	61	1
4	Hajigabul	31	7	5			9	10	
5	İsmayilli	6	3	2			1		
6	Mingachevir	2	1					1	
7	Shamakhi	87	19	26		1	12	26	3
8	Yevlakh	66	20	24		1	9	8	4
	Total	**699**	**142**	**164**		**11**	**125**	**233**	**14**
	%		**20%**	**24%**		**2%**	**18%**	**34%**	**2%**

Source: Household Surveys, 2026

Among the heads of households interviewed as part of the fieldwork, the largest group (67%) is covered by İcbari Tıbbi Sigorta (mandatory health insurance). Smaller groups include 7% covered by Dövlət Sosial Müdafiə(State Social Protection). Those with special status represent a very small group at 0.3%. In addition, 10% of heads of households have no social security coverage.

Table 4-7 Social Security Status of Head of Households

No	Region	Total	Dövlet Social Müdafie	Icbari Tıbbi Sigorta	Ferdi Sahipkarlar	Special	None	Other
1	Aghdash	126	12	95			18	6
2	Aghsu	172	16	96		1	64	2
3	Goychay	141	4	109			14	16
4	Hajigabul	30		17			13	
5	İsmayilli	3					3	
6	Mingachevir	2	1				1	
7	Shamakhi	74	5	44		1	27	1
8	Yevlakh	45	2	35			7	1
	No answer	3						
	Total	**596**	**40**	**396**		**2**	**62**	**26**
	%		**7%**	**67%**		**0,3%**	**10%**	**4%**

Source: Household Surveys, 2026

4.2. Main Household Livelihood Sources

Household surveys conducted as part of the fieldwork collected information on the primary sources of livelihood of affected households. The table below presents the distribution of livelihood sources among household heads across 8 regions in Azerbaijan, based on a total of 596 surveyed households.

The findings indicate that agriculture is the dominant source of livelihood, accounting for 40% of households, followed by animal husbandry (21%) and pension income (19%). Wage-based employment represents a smaller share, with workers accounting for 10% and seasonal workers for 2% of respondents. Other income sources—such as trade, crafts, rental income, and social assistance—are marginal, each representing less than 1% of total responses. Seasonal employment is observed only in Goychay and Aghsu regions.

Overall, the results highlight a strong dependence on agriculture and livestock-based livelihoods, supplemented by retirement income, while economic diversification remains limited. At the same time, it is noted that households often rely on multiple income sources, with individuals combining activities such as farming, livestock rearing, and pensions.

These findings indicate that livelihoods are closely tied to land-based activities and may therefore be particularly sensitive to land acquisition impacts,

Table 4-8 Household Head Sources of Livelihood

Region	Total	Farming	Husbandry	Worker	Seasonal Worker	Trade	Pension	Civil Service	Craftmanship	Rent	Social Asistance	Other	If Other Explain
Aghdash	127	122	80	15			22	9		1		1	Driver
Aghsu	172	136	42	12	2	2	57	12	1	2	1	2	Labourer, self-employed
Goychay	141	111	13	18	10		36	2				4	Mukhtar, taxi driver, driver
Hajigabul	31	28	11	10			6	1	1				
İsmayilli	3	1	3				2						
Mingachevir	2	1	2										
Shamakhi	74	61	17	10		3	33	2	1				
Yevlakh	46	35	11	4		1	17	3				1	Housewife
Total	**596**	**495**	**179**	**69**	**12**	**6**	**173**	**29**	**3**	**3**	**1**		
%	**100%**	**83%**	**30%**	**12%**	**2%**	**1%**	**29%**	**5%**	**1%**	**1%**	**0.2%**	**0.0%**	

Source: Household Surveys, 2026

Data showing household members' engagement in livelihood activities reveals that at least one member of 43% of the total 596 households is engaged in income-generating activities, while 57% are not. This indicates that in more than half of the households, the burden of livelihood rests solely on the head of the household. Differences between regions are noteworthy: While the participation of other household members in income-generating activities is relatively high in Aghsu and Aghdash, in Goychay and Yevlakh, most households do not have other members involved in livelihood activities. Details are shown in the table below.

Table 4-9 Household Members' Engagement in Livelihood Activities

Region	Yes (n)	%	No (n)	%	Total (n)
Aghdash	57	45%	70	55%	126
Aghsu	79	46%	93	54%	172
Goychay	49	35%	92	65%	141
Hajigabul	15	48%	16	52%	31
İsmayilli	1	33%	2	67%	3
Mingachevir	1	50%	1	50%	2
Shamakhi	35	47%	39	53%	74
Yevlakh	17	37%	29	63%	46
Total	254	43%	342	57%	596
%	43%	43%	57%	57%	100%

Source: Household Surveys, 2026

Household perceptions of economic conditions were assessed under three key dimensions: (i) the ability of household income to meet basic needs, (ii) comparison of current economic conditions with the past, and (iii) expectations for the next three years.

The results indicate a high level of economic vulnerability. A majority of respondents (60%) reported that meeting their basic needs is “difficult”, while only 2% indicated that it is “easy”, suggesting that household income levels are generally insufficient. In terms of trends over time, 48% of respondents stated that their economic situation has “remained the same”, while 43% reported that it has “worsened”, and only 6% perceived an improvement. This reflects a prevailing perception of stagnation or decline in economic conditions.

When PAPs were asked about future outlook, expectations remain cautious, with 56% of respondents anticipating that their economic situation will “remain the same,”, 23% expecting it to “worsen”, and only 19% expressing optimism for improvement.

Overall, these findings indicate a predominantly negative outlook among affected households, both in terms of current economic conditions and future expectations, underscoring the importance of carefully designed livelihood restoration measures under the RAP.

Table 4-10 Socioeconomic Status and Future Expectations

Region	Basic Needs-Income Relationship (n)				Economic Situation Compared To Past(n)				Perceive Future Next 3 Years			(n)
	Easy	**Center**	**Difficult**	**Dont Know**	**Same**	**Worse**	**Better**	**Dont Know**	**Better**	**Worse**	**Same**	**Dont Know**
Aghdash	6	48	67	5	62	50	8	6	31	40	55	
Aghsu	5	61	106		86	71	8	7	34	32	101	5
Goychay	2	52	86		65	72	1	1	12	44	84	
Hajigabul		17	14		17	11	1	2	7	2	19	2
İsmayilli		3			1		2		2		1	
Mingachevir			2		1	1					2	
Shamakhi	1	21	52		32	31	10	1	21	10	40	3
Yevlakh		11	32	3	19	20	3	4	8	7	30	1
Total	**14**	**213**	**359**	**8**	**283**	**256**	**33**	**21**	**115**	**135**	**332**	**11**
%	**2%**	**36%**	**60%**	**1%**	**48%**	**43%**	**6%**	**4%**	**19%**	**23%**	**56%**	**2%**

Source: Household Surveys, 2026

4.3. Land Use and Agriculture

Survey results indicate that 84% of respondents are both landowners and users, while 13% are shareholder users. A smaller proportion of respondents include those who use land without paying rent (2%), formal tenants (1%), and landowners who do not actively use their land (1%). These findings suggest that the majority of affected households have direct control over and reliance on their land, reinforcing the importance of land-based livelihoods within the Project area.

Table 4-11 Ownership and Land Use

No	Region	Owner - Land user	Owner - Land not used	User Shareholder	User Tenant Cash/Kind	User does not pay rent	Total	%
1	Aghdash	116	1	6	1	3	127	**21%**
2	Aghsu	160	0	9	1	2	172	**29%**
3	Goychay	102	3	29	3	4	141	**24%**
4	Hajigabul	9	1	21	0	0	31	**5%**
5	İsmayilli	0	0	1	2	0	3	**1%**
6	Mingachevir	2	0	0	0	0	2	**0%**
7	Shamakhi	74	0	0	0	0	74	**12%**
8	Yevlakh	35	1	9	0	1	46	**8%**
	Total	**498**	**6**	**75**	**7**	**10**	**596**	
	%	**84%**	**1%**	**13%**	**1%**	**2%**	**100%**	**100%**

Source: Household Surveys, 2026

Agriculture and livestock production constitute the primary land-use activities. Among household members, 83% (495 PAPs) reported engagement in agricultural activities, while 30% indicated involvement in livestock farming. In terms of land management practices, 93% of respondents cultivate their land themselves, while smaller proportions use land for grazing (3%), leave it empty (2%), rent it out (1%), or engage in partnership arrangements (1%).

Table 4-12 Distribution of Land Use Types

Region	We cultivate	Empty	Rent it to someone	Partnership	Grazing	Leave fallow	Total
Aghdash	123	1	1	1			126
Aghsu	167	1	4				172
Goychay	128	8	2	2	1		141
Hajigabul	29	1	1				31
İsmayilli	1				1		2
Mingachevir	1				1		2
Shamakhi	69			1	3		73
Yevlakh	35	1		2	10	1	49
Total	**553**	**12**	**8**	**6**	**16**	**1**	**596**
%	**93%**	**2%**	**1%**	**1%**	**3%**	**0.2%**	**100%**

Source: Household Surveys, 2026

The average landholding size among respondents was calculated at 417,000 m²; however, this figure is skewed by a limited number of landowners with significantly large holdings in certain regions. As such, the median landholding size of 28,000 m² is considered a more representative indicator of typical land ownership patterns within the Project area.

It should be noted that 29% of survey respondents (184 PAPs) did not provide information regarding their landholdings, which introduces a degree of uncertainty to the analysis. Among the respondents who disclosed land ownership information (71% of the sample), landholding sizes vary considerably across regions. For example, while relatively moderate median land sizes are observed in Aghdash (25,000 m²), Aghsu (25,000 m²), Goychay (20,000 m²), Shamakhi (24,000 m²), İsmayilli (median: 25,050 m²)and Yevlakh (28,000 m²), significantly larger landholdings are present in certain areas, such as Hajigabul (median: 105,000 m²).

The wide variation between minimum and maximum land sizes—particularly in regions such as Goychay (up to 135,000 m²)—further indicates a highly uneven distribution of land ownership. These findings suggest that while most households operate relatively small to medium-sized plots, a small number of large landholders significantly influence average values.

Table 4-13 Information of Land Ownership

Region	Number of Surveys for Which Information Was Obtained	Number of Surveys for Which Information Was NOT Obtained	Title Deeded land – M²			
			Average Area	Min Area	Max Area	Median Area
Aghdash	89	38	58,000	7,000	810,000	25,000
Aghsu	134	38	33,000	7,000	190,000	25,000
Goychay	108	33	284,000	7,000	135,000	20,000
Hajigabul	17	14	132,000	20,000	610,000	105,000
İsmayilli	1	2	25,525	19,650	31,000	25,050
Mingachevir	1	1	240,000	10,000	470,000	240,000
Shamakhi	47	37	25,000	10,000	62,000	24,000
Yevlakh	25	21	37,000	10,000	280,000	28,000
Total - Average	**422**	**184**	**417,000**	7,000	62,000	28,000
%	**71%**	**29%**				

Source: Household Surveys, 2026

According to survey results, 98% (587 PAPs) stated that they do not use land owned by others. This finding was also confirmed through the verification study. During the verification field interviews, only one informal user was identified using someone else's parcel. The average size of leased land from others is 60,000 m², with a median value of 31,000 m².

Table 4-14 Information of Land Use

Region - Any land owned by someone else	Yes	No	Title Deeded land – M²			
			Average Area	Min Area	Max Area	Median Area
Aghdash	1	126	32,000	32,000	32,000	32,000
Aghsu	1	171	107,000	107,000	107,000	107,000
Goychay	2	139	62,000	17,000	107,000	62,000
Hajigabul	2	29	120,000	110,000	130,000	120,000
İsmayilli	0	3	No response	No response	No response	No response
Mingachevir	0	2	No response	No response	No response	No response
Shamakhi	1	73	10,000	10,000	10,000	10,000
Yevlakh	2	44	31,000	20,000	43,000	31,000
Total	**9**	**587**	60,000	10,000	130,000	32,000
%	**2%**	**98%**				

Source: Household Surveys, 2026

Survey results indicate that the use of state or municipal land among participants is very limited. Only 6 households (1% of the surveyed sample) reported using state or municipal land, a finding that was further confirmed during the verification fieldwork.

Consultations revealed that such lands are typically leased by municipal and state institutions upon request, generally under 5- to 10-year lease agreements. Among respondents, the average size of leased land is 144,000 m², while the median size is 61,000 m², suggesting variability in leasehold sizes but overall limited reliance on publicly owned land within the Project area.

Table 4-15 Use of State and Municipal Land

Region - Public land used	Yes	No	Title Deeded land – M²			
			Average Area	Min Area	Max Area	Median Area
Aghdash	0	127	0	0	0	0
Aghsu	0	172	0	0	0	0
Goychay	2	139	76,000	75,000	78,000	76,000
Hajigabul	0	31	0	0	0	0
İsmayilli	0	3	0	0	0	0
Mingachevir	0	2	0	0	0	0
Shamakhi	0	74	0	0	0	0
Yevlakh	4	42	213,000	10,000	750,000	45,000
Total	**6**	**590**	144,000	10,000	750,000	61,000
%	**1%**	**99%**				

Source: Household Surveys, 2026

Cereal crops are grown in all districts (100%). In addition, there are households growing clover in Aghdaş, Aghsu, Goychay, Mingacevir, and Yevlakh (9%). The only districts with households engaged in fruit growing are Aghdash and Goychay (17%).

Table 4-16. Income-generating crops

Region	Cereal	Clover	Fruit
Aghdash	105	24	43
Aghsu	212	3	
Goychay	99	8	57
Hajigabul	43	0	0
İsmayilli	2	0	0
Mingachevir	1	1	0
Shamakhi	98	0	0
Yevlakh	36	17	0
Total	596	53	100
%	**100%**	**9%**	**17%**

Source: Household Surveys, 2026

An analysis of households' income-generating crop patterns revealed that the vast majority of households do not practice irrigated agriculture. This finding was also confirmed by interviews conducted in the validation area. Households practicing irrigated agriculture are concentrated in Aghdash and Goyhchay. In these regions, the proportion of households practicing irrigated agriculture ranges from 10% to 30%. In conclusion, irrigated agriculture is not a widespread agricultural activity among farmers.

The primary source of livelihood in all settlements is the cultivation of barley and wheat. Households engaged in animal husbandry also cultivate fodder crops. It has been learned that alfalfa is the most widely cultivated fodder crop. The verification study observed that all land is cultivated and crops are grown. It was learned that barley and wheat are sown in usually October and harvested in June- early July. The average yield per decare is 400 kilograms, and in 2025, it was learned that it was sold for 0.5 AZN Manat per kilogram.

However, in some regions, there are also households that grow fruit for income. These regions are Agdas, Goychay, and Yevlakh. The most commonly grown fruits are persimmon and pomegranates.

Survey results indicate that the average annual income from agricultural activities is approximately 4,121 AZN (2,431 USD), while the median income is significantly lower at 1,500 AZN (885 USD). This discrepancy between average and median values suggests that income distribution is highly uneven, with a small number of households earning substantially higher incomes than the majority.

Income levels vary considerably across regions. For instance, relatively higher average incomes are observed in Goychay (7,935 AZN) and Hajigabul (6,476 AZN), while lower average incomes are reported in Shamakhi (1,376 AZN) and Yevlakh (1,858 AZN). The wide range between minimum and maximum values—particularly in Goychay (up to 600,000 AZN)—further highlights significant disparities in agricultural income.

Table 4-17 Annual Income from Agricultural Land

Region - Total annual income from agricultural land - Manat	Average	Minimum	Max	Median
Aghdash	5,610	100	160,000	1,500
Aghsu	2,589	100	80,000	1,200
Goychay	7,935	0	600,000	1,200
Hajigabul	6,476	500	18,000	5,000
İsmayilli	No response	No response	No response	No response
Mingachevir	3,000	3,000	3,000	3,000
Shamakhi	1,376	200	4,500	1,200
Yevlakh	1,858	0	7,000	1,500
Average	**4,121**	**100**	**600,000**	**1,500**
1 USD = 1.70 AZN	**2,431**	**59**	**354,000**	**885**

Source: Household Surveys, 2026

4.4. Livestock

Survey results indicate that 44% of the 596 surveyed households are engaged in animal husbandry, while 56% reported no involvement, suggesting that although livestock activities represent an important livelihood source, they are not the primary activity for the majority of households.

There are notable variations across regions. Aghdash shows a high level of engagement, with 72% of households involved in livestock farming, whereas participation rates are lower in Aghsu and Goychay, where fewer than half of households engage in animal husbandry. In contrast, İsmayilli and Mingachevir exhibit full participation among surveyed households, although the sample sizes in these regions are limited. Lower participation rates are observed in Shamakhi and Yevlakh, indicating reduced reliance on livestock compared to other areas.

Overall, these findings highlight that animal husbandry functions as a complementary livelihood activity in many households, often alongside agriculture.

Table 4-18 Animal Husbandry Information

Region	Yes	No	Total

Aghdash	92	35	127
Aghsu	73	98	171
Goychay	40	101	141
Hajigabul	12	19	31
İsmayilli	3	0	3
Mingachevir	2	0	2
Shamakhi	18	56	74
Yevlakh	20	26	46
Total	**260**	**335**	**595**
%	**44%**	**56%**	**100%**

Source: Household Surveys, 2026

Data on livestock ownership among households engaged in animal husbandry indicate significant variation both by livestock type and across regions. Among the 260 households involved in livestock activities, the most common category is cattle (51%), followed by poultry (25%) and small livestock (23%), while beekeeping remains marginal (1%).

At the regional level, İsmayilli stands out due to the concentration of large herds, with two households reporting a combined total of 480 cattle and 1,450 small livestock, indicating a high degree of livestock intensity among a limited number of households. In contrast, Aghdash and Aghsu have a higher number of households engaged in livestock activities, with 85 households in Aghdash owning 531 cattle, and 35 households in Aghsu owning 1,082 small livestock. Poultry production is also concentrated in these two regions, with 990 poultry in Aghdash and 349 in Aghsu.

Beekeeping activities are limited across the Project area, with a total of 34 hives reported by 4 households.

Overall, these findings suggest that livestock ownership is unevenly distributed, with a combination of household-level diversification and localized concentration of large herds.

Table 4-19 Number of Livestock

Region	Livestock Production Yes	Cattle			Sheep			Poultry			Beekeeping		
		Yes	Total	Average animal of Household	Yes	Total	Average animal of Household	Yes	Total	Average animal of Household	Yes	Total hive	Average hive of Household
Aghdash	92	85	531	6,24	20	274	13,70	27	990	36,66	1	9	9,00
Aghsu	73	58	251	4,32	35	1.082	30,91	16	349	21,81	2	20	10,00
Goychay	40	38	151	3,97	13	872	67,07	4	60	15,00			
Hajigabul	12	10	38	3,80	8	211	26,37	3	105	35,00			
İsmayilli	3	2	480	240,00	2	1.450	725,00						
Mingachevir	2	2	62	31,00									
Shamakhi	18	15	61	4,06	4	40	10,00	6	89	14,83	1	5	5,00
Yevlakh	20	19	168	8,84	9	208	23,11	1	20	20,00			
Total	**260**	**229**	**1.681**		**91**	**4.137**		**57**	**1.613**		**4**	**34**	
%	**49%**	**51%**			**23%**			**25%**			**1%**		

Source: Household Surveys, 2026

Survey results indicate that the majority of households (53%) graze their animals on their own land, highlighting a strong reliance on privately managed land resources for livestock activities. This is followed by barn feeding (25%), while grazing on pasture accounts for 19%. The use of public land for grazing is minimal (2%), indicating limited dependence on communal or state-owned grazing areas.

Variations are observed across regions. In Aghdash and Aghsu, livestock is predominantly grazed on privately owned land, whereas Shamakhi shows relatively higher reliance on pasture grazing. In Goychay and Yevlakh, the use of own land remains the primary feeding method. In İsmayilli and Mingachevir, all reported livestock activities are confined to privately owned land.

Notably, no cases were identified of households grazing animals on land owned by others, suggesting that livestock management is largely self-contained within household landholdings.

Overall, these findings indicate that livestock activities are closely tied to individual land ownership and access, with limited reliance on shared or public resources. This has important implications for land acquisition impacts, for loss of public land, as reliance on public resources is low, impact on livestock-based livelihoods is expected to be minimal. The nature of the transmission line in itself would have limited impact on livestock access to grazing

Table 4-20 Animal Grazing Distribution

Region	Pasture	Their land	Someone's land	Public land	In the Barn	Total
Aghdash	8	70		1	43	122
Aghsu	4	39		1	20	64
Goychay	2	24			7	33
Hajigabul		4			5	9
İsmayilli		2				2
Mingachevir		1				1
Shamakhi	5	9		1	4	19
Yevlakh	1	15			4	20
Total	**20**	**164**		**3**	**83**	**270**
%	**19%**	**53%**		**2%**	**25%**	**100%**

Source: Household Surveys, 2026

4.5. Businesses

Interviews were conducted with 9 of the 11 businesses affected by land acquisition. These businesses are located in the Aghdash, Goychay, Hajigabul, and Yevlakh regions, with 4 of the businesses in question located in the Yevlakh.

Table 4-21 Number of Businesses

No	Region	Official owner and user of the affected land	Official tenant of the affected land	Total	%
1	Aghdash	2		2	**22%**
2	Goychay	2		2	**22%**
3	Hajigabul		1	1	**11%**
4	Yevlakh	2	2	4	**44%**
	Total	**6**	**3**	**9**	
	%	**67%**	**33%**		**100%**

Source: Workplace Surveys, 2026

The findings from the 9 businesses interviewed during the fieldwork indicate that economic activities are predominantly concentrated in agriculture and livestock-related sectors. The majority of businesses are engaged in perennial fruit cultivation, including crops such as pomegranate, cherry, persimmon, and plum, as well as in fruit production and sales. The table below provides details about the activities of the businesses.

Table 4-22 Information of Businesses

No	Name of Workplace	Year of Founding	Year of Commencement of Operations	Activities
1	Agrofront	2019	2019	Perennating pomegranate orchards.
2	Üçqovaq fruit LLC	2017	2017	Cherry and persimmon orchards.
3	Türyançay LLC	2007	2007	Dairy and dairy products
4	Agrovest LLC	2014	2017	Investment in the food sector and non-oil sectors.
5	Agro Dairy LLC	2014	2018	Dairy and meat products, grains, seeds in more than 14 areas.
6	Goychay Agro LLC	2016	2020	The cultivation and sale of persimmons, cherries and plums.
7	Aqro-Azərinvest	2004	2004	Vinification
8	A+Zetta LLC	2010	2010	Grain, pasture, animal feed.
9	Kraun Kor LLC	2007	2007	Fruit growing, animal husbandry, crop farming activities.

Source: Workplace Surveys, 2026

The total number of employees in the 9 businesses surveyed as part of the fieldwork is 3,194. White-collar workers make up 60% of the workforce, while blue-collar workers make up 40%. The majority of employment is concentrated within Agro Dairy LLC, with 94% of the total workforce employed by this business. In contrast, there are currently no employees at Agrovest LLC and Aqro-Azerinvest as they use seasonal workers.

Table 4-23 Employee Information

Name of Workplace	Specialists/White Collars	Workers/Blue Collars	Total	%
Agrofront	5	20	25	0,8
Üçqovaq fruit LLC	6	2	8	0,3
Türyançay LLC	3		3	0,01
Agrovest LLC				
Agro Dairy LLC	1800	1200	3000	94
Goychay Agro LLC	18	16	34	1,2
Aqro-Azərinvest				
A+Zetta LLC	1	5	6	0,02
Kraun Kor LLC	68	50	118	3,7
Total	**1.901**	**1.293**	**3.194**	
%	**60%**	**40%**		**100%**

Source: Workplace Surveys, 2026

Only 2 of the 9 businesses examined have female employees. The businesses with female employees are Agro Dairy LLC and Kraun Kor LLC. The total number of female employees is 460, and 98% of these employees work at Agro Dairy LLC. This situation shows that female employment is quite limited in terms of both the number of businesses and distribution.

Table 4-24 Female Employee Information

Name of Workplace	Specialists/White Collars	Workers/Blue Collars	Total	%
Agrofront				
Üçqovaq fruit LLC				
Türyançay LLC				
Agrovest LLC				
Agro Dairy LLC	300	150	450	98
Goychay Agro LLC				
Aqro-Azərinvest				
A+Zetta LLC				
Kraun Kor LLC	3	7	10	2
Total	**303**	**157**	**460**	
%	**66%**	**34%**		**100%**

Source: Workplace Surveys, 2026

4.6. Vulnerable Groups

The vulnerable group assessment conducted by Azerenerji was carried out through a vulnerability screening process. Vulnerability screening was conducted with individuals whose land is affected by the project, and vulnerable persons were identified at the household level.

Within the vulnerability screening, vulnerability was classified into 4 categories.

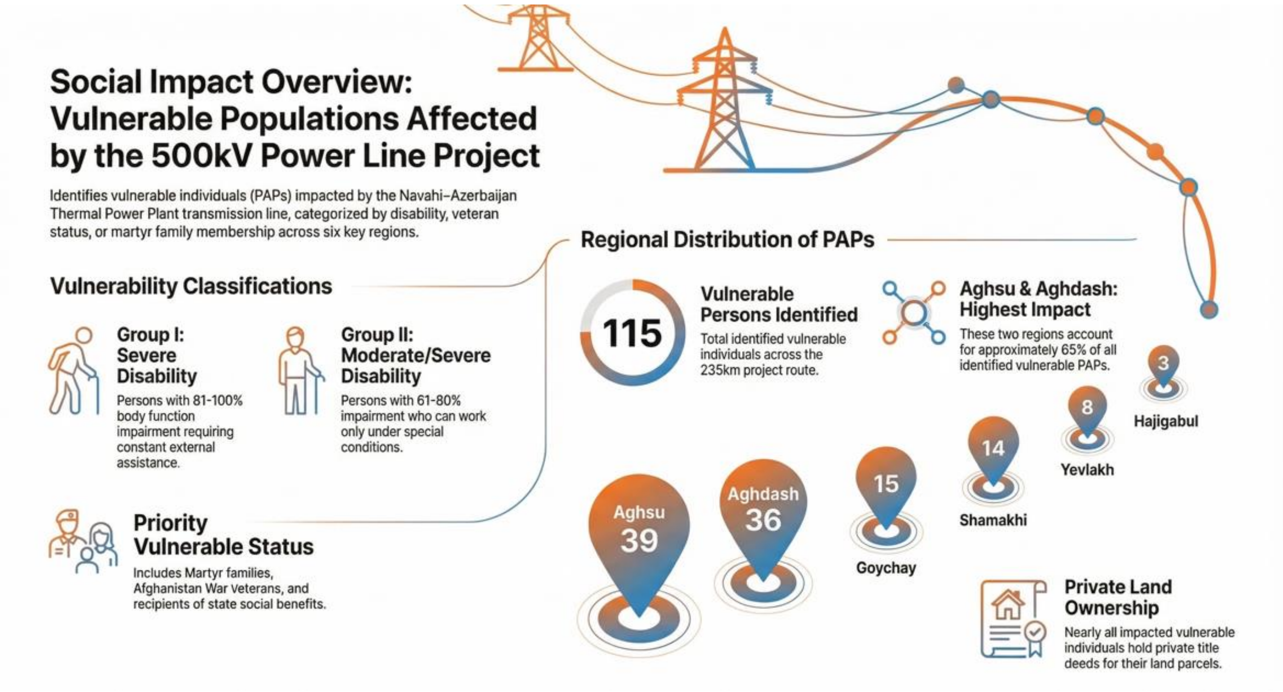
Group I includes severe disability conditions such as complete loss of working capacity, loss of personal self-care ability, very serious illnesses or health conditions, complete mobility limitations, and other severe restrictions. Individuals in this group generally require continuous assistance from others. Disabilities resulting from 81–100% impairment in body functions are considered Group I disabilities.

Group II refers to moderate or severe permanent impairments in body functions that limit personal care, mobility, or working ability but do not require continuous care. In most cases, individuals in this group are considered able to work, although certain limitations may apply (e.g., special conditions or adapted workplaces). Group II represents a 61–80% loss of working capacity.

Group III includes moderate impairments in body functions (caused by injuries, illnesses, or congenital conditions) that limit personal care or working ability by 31–60%. Individuals in this group are generally considered capable of working under limited conditions.

Individuals who do not fall within these three groups but were identified as vulnerable during the screening were classified under the **“other”** category. The "Other" category includes families of martyrs and veteransand which are considered as vulnerable groups in the vulnerability screening conducted by AzerEnerji.

According to the results of the assessment, **115 vulnerable individuals were identified in 107 households.** Among them, 18 individuals fall under Group I, 53 under Group II, 5 under Group III, and 39 under the other category.



The table below presents the results of the vulnerability screening conducted by AzerEnerji, broken down by regions and households. Vulnerability was identified in a total of 107 households, of which 51 belong to Group 2.

Table 4-25 Distribution of Vulnerable Groups by Households

No	Region	Village	Number of Households				
			Group I (81–100% impairment)	Group II (61–80% impairment)	Group III (31–60% impairment)	Other	Total
1	Aghdaş	Arabocağı	1	3	0	2	6
2	Aghdash	Qoşaqovaq	1	6	0	1	8
3	Aghdash	Şekili	0	1	0	1	2
4	Aghdash	Yuxarı Ağcayazı	1	0	0	6	7
5	Aghdash	Hüşün	1	2	3	0	6
6	Aghsu	Qaraqoyunlu	0	1	0	0	1
7	Aghsu	Qaraqaşlı	0	1	0	0	1
8	Aghsu	Ülgüc	1	0	0	1	2
9	Aghsu	Ağarx	1	1	0	2	4
10	Aghsu	Qaramammadli	0	0	0	1	1
11	Aghsu	Daşdemirbeyli	0	1	0	1	2
12	Aghsu	Gegeli	0	1	0	1	2
13	Aghsu	Bico	0	11	1	6	18
14	Aghsu	Keşdimaz	0	2	0	1	3
15	Aghsu	Qeşed	1	1	0	1	3
16	Aghsu	Lengebiz	1	0	0	0	1
17	Goychay	Mirzahüseynli	0	0	1	0	1
18	Goychay	Qarabaqqal	0	0	0	6	6
19	Goychay	Bığır	3	2	0	0	5
20	Goychay	Qarayazı	0	3	0	0	3
21	Hajigabul	Navahi	1	0	0	2	3
22	Shamakhi	Birinci Çaylı	0	1	0	0	1
23	Shamakhi	Çöl-Göyler	1	5	0	1	7
24	Shamakhi	Bağırlı	0	5	0	1	6
25	Yevlakh	Ereş	0	1	0	1	2

No	Region	Village	Number of Households Group I (81–100% impairment)	Group II (61–80% impairment)	Group III (31–60% impairment)	Other	Total
26	Yevlakh	Havarlı	1	0	0	0	1
27	Yevlakh	Tanrıqulular	0	0	0	1	1
28	Yevlakh	Salahlı	1	1	0	0	2
29	Yevlakh	Arabbesra	0	1	0	0	1
30	Yevlakh	Xanabad	0	1	0	0	1
Total			15	51	5	36	107

The table below shows the number of individuals identified as vulnerable groups in the screening conducted by AzerEnerji, broken down by regions and villages. Out of a total of 115 vulnerable individuals, 53 belong to Group 2. The village with the highest number of vulnerable individuals is Gegeli, located in the Aghsu rayon

Table 4-26 Distribution of Vulnerable Groups by Number of Persons

No	Region	Village	Number of Persons Group I (81–100% impairment)	Group II (61–80% impairment)	Group III (31–60% impairment)	Other	Total
1	Aghdaş	Arabocağı	1	4	0	2	7
2	Aghdash	Qoşaqovaq	1	6	0	2	9
3	Aghdash	Şekili	0	1	0	1	2
4	Aghdash	Yuxarı Ağcayazı	1	0	0	8	9
5	Aghdash	Hüşün	4	2	3	0	9
6	Aghsu	Qaraqoyunlu	0	1	0	0	1
7	Aghsu	Qaraqaşlı	0	1	0	0	1
8	Aghsu	Ülgüc	1	0	0	1	2
9	Aghsu	Ağarx	1	1	0	2	4
10	Aghsu	Qaramammadli	0	0	0	1	1
11	Aghsu	Daşdemirbeyli	0	1	0	1	2
12	Aghsu	Gegeli	0	2	0	1	2
13	Aghsu	Bico	0	11	1	6	18
14	Aghsu	Keşdimaz	0	2	0	1	3
15	Aghsu	Qeşed	1	1	0	1	3
16	Aghsu	Lengebiz	1	0	0	0	1
17	Goychay	Mirzahüseynli	0	0	1	0	1
18	Goychay	Qarabaqqal	0	0	0	6	6
19	Goychay	Bığır	3	2	0	0	5
20	Goychay	Qarayazı	0	3	0	0	3
21	Hajigabul	Navahi	1	0	0	2	3
22	Shamakhi	Birinci Çaylı	0	1	0	0	1
23	Shamakhi	Çöl-Göyler	1	5	0	1	7
24	Shamakhi	Bağırlı	0	5	0	1	6
25	Yevlakh	Ereş	0	1	0	1	2
26	Yevlakh	Havarlı	1	0	0	0	1
27	Yevlakh	Tanrıqulular	0	0	0	1	1
28	Yevlakh	Salahlı	1	1	0	0	2
29	Yevlakh	Arabbesra	0	1	0	0	1
30	Yevlakh	Xanabad	0	1	0	0	1
Total			18	53	5	39	115

Within the scope of the household surveys, interviews were conducted with 15 individuals from the vulnerable group of 115 identified in the vulnerability screening.

Of the vulnerable groups interviewed, 93% are part of an extended family and 7% are part of a nuclear family. 93% are married, and 7% are widowed. The average age of the head of household is 58. All are engaged in farming, and 47% are also retired. 93% have mandatory health insurance, and 7% have State Social Protection insurance. The total number of people living permanently in the households is 91, with 53% being male and 47% female. The average household size is 3.0. Farming is the primary source of income for all households; in addition, 47% receive pension income, and 27% engage in livestock farming. The table below contains data only for the vulnerable groups surveyed. Details are provided below.

Table 4-27. Household Information for the Vulnerable Group Surveyed

Vulnerable Group Indicators	Value	%
Family Type, Martial Status And Average Age		
Nuclear	1	7%
Extended	14	93%
Married	14	93%
Widow	1	7%
Average Age	58	NA
Emloyment Status		
Farmer	15	100%
Retired	7	47%
Social Security Status		
Mandatory Health Insurance	14	93%
State Social Protection	1	7%
Household Information		
People Permanently Living	91	100%
Male	48	53%
Female	43	47%
Average Household Size	6	NA
Household Head Sources of Livelihood		
Farming	15	100%
Animal husbandry	4	27%
Pension	7	47%

Source: Household Surveys, 2026

5. Land Acquisition Impacts

5.1. Land Acquisition, Land Entry and Exit Process

The majority of land affected by the Project will be traversed by the overhead transmission line (OHL) corridor, where easements in favor of Azerenerji will be established, without transferring land ownership from existing landowners. Under this approach, land remains under private ownership, while defined usage rights are granted to the Project for the installation and operation of infrastructure.

At present, no compensation is provided specifically for the registration of easement rights; however, compensation is agreed with landowners for pylon locations and associated land use restrictions. For current OHL projects, route alignments are determined in coordination with relevant local Executive Power authorities, followed by negotiations with landowners regarding pylon sites, including compensation arrangements. Long-term land use agreements (up to 49 years) are formalized through written consent form countersigned by Azerenerji and landowner, with compensation provided either as one-off or periodic payments (for temporary damages/loss during construction), as specified in contractual agreements.

While the establishment of a servitude (easement) for an overhead transmission line imposes restrictions on the use of the affected land, it is a fundamental principle of Azerbaijani property law that the landowner retains full ownership title to the encumbered parcel. The servitude gives a right in favour of the transmission line operator — granting it access, inspection, and maintenance rights — but does not transfer or extinguish the owner's underlying proprietary interest. Importantly, the Land Code of the Republic of Azerbaijan provides that a servitude "may be paid for," language that is permissive rather than obligatory, meaning that payment for the easement right itself is not a legal requirement. Accordingly, Azerenenerji will not pay compensation to landowners for the imposition of the servitude over the right-of-way corridor. Within the broader easement corridor, the owner retains title to the land and may continue low-impact uses such as grazing or low-crop agriculture, but is subject to material restrictions: construction of buildings and structures is prohibited, excavation requires prior written consent of the line operator, planting of tall vegetation is restricted, and storage of hazardous or flammable materials is forbidden. The easement regime thus preserves private ownership of the corridor land while securing the operator's necessary access rights, with financial compensation limited to those specific pylon footprint areas where title itself is permanently extinguished.

Compensation is calculated based on market value, taking into account land productivity, land category, and the income-generating potential of crops in each region. Compensation payments are made in advance of land access, in line with international good practice.

The Project does not envisage full expropriation of land. This is due to both the administrative complexity of changing land status and the need to maintain flexibility in implementation, particularly in response to potential route modifications. Instead, the easement-based approach is considered consistent with the principle of proportionality, given the limited footprint of pylons and the continued usability of the remaining land. This approach is also aligned with World Bank ESS5, as it minimizes land acquisition and avoids physical displacement however easement is a rights restriction.

Under national legislation, an easement constitutes a legal right to use another person's land for a defined purpose and period, without transferring ownership. Easements may be established through agreement or court decision and remain valid in the event of a transfer of ownership. In addition to pylon sites, right-of-way (RoW) corridors will be established along the OHL alignment, typically extending 30 meters on each side for 330–500 kV transmission lines. Within these corridors, land use restrictions will apply, limiting activities such as construction, tree planting, and certain agricultural practices.

During construction, landowners and users will temporarily lose access to affected land areas, including easement zones and RoW corridors. Following the completion of construction and full reinstatement of land surfaces, the land will be returned to its owners; however, permanent usage restrictions associated with easements will remain in place.

Prior to land entry, consent agreements will be signed with landowners and, where applicable, with tenants (including those on municipal or state land, excluding state-owned institutional lands). Compensation payments will be made prior to land access. The land entry process will not commence until all consent forms are signed and agreed payments are completed. The relevant consent forms are provided in Appendix 1.5. If informal users are encountered, compensation will have to be paid for their property and crops, and necessary forms will also be required.

After completion of the consent form signing, the contractor will inform local authorities and notify affected landowners of the planned works and schedule. Prior to land entry, crops and trees within the work corridor will be documented (including photographs), valued, and compensation agreed in accordance with the RAP. Land access will only occur after signing a **Land Entry Protocol (LEP)**, which serves solely to record the condition of the land at handover and, where applicable, restoration status; it **does not waive any rights** of landowners or users, including claims related to land damage, incomplete restoration, unresolved compensation, or pending grievances. Any damage outside the defined work corridor, or impacts identified after restoration, will be compensated by the contractor in line with RAP provisions and applicable legislation. After construction is completed, the land will be restored to its original condition, and a Land Exit Protocol (LExP) will be signed with the landowners. Without the LExP in place and duly signed, the Contractor's and Azerenergy's responsibility on affected land will continue to address any remaining/unresolved issues.

Any access to private or used land before full compensation is paid and a Land Entry Protocol (LEP) is signed would constitute non-compliance with ESS5 and the approved RAP. This includes cases where access is justified by schedule pressure, informal agreements, or assumptions that land is "state-owned" without verifying users. Such premature access exposes the project to grievances, claims, and reputational risk, particularly where informal users, seasonal crops, or disputed parcels are involved. The agreed rule remains strict: no payment + no LEP = no access. Any deviation should trigger an immediate stop-work, corrective payment, and formal documentation. Restoration quality and the signing of Land Exit Protocols (LExP) represent a common weak point. Failure to restore land to productive condition or to document exit properly may lead to post-construction grievances. Access, compensation, LEP/LExP, and grievances should be systematically tracked and reported, with evidence available for both internal and external monitoring.

For any land where the owner or user is unknown but trees, crops, or structures exist, both an LEP and LExP will be prepared.

If informal users are identified only after land access, the RAP clearly defines how compensation and assistance will be provided to such users once identified. This should include a process for retroactive eligibility assessment, appropriate documentation, and access to the grievance mechanism without prejudice.

LEPs and LExPs will also apply to any informal users on the land. If informal users are identified after entering the land, their entitlements will be compensated in accordance with the entitlement matrix.

Construction will be carried out in phases and in segments, beginning with state-owned lands that are currently unoccupied. Azerenerji has divided the construction site into segments and identified the state-owned lands where work will be carried out, as well as the priority order of the work.

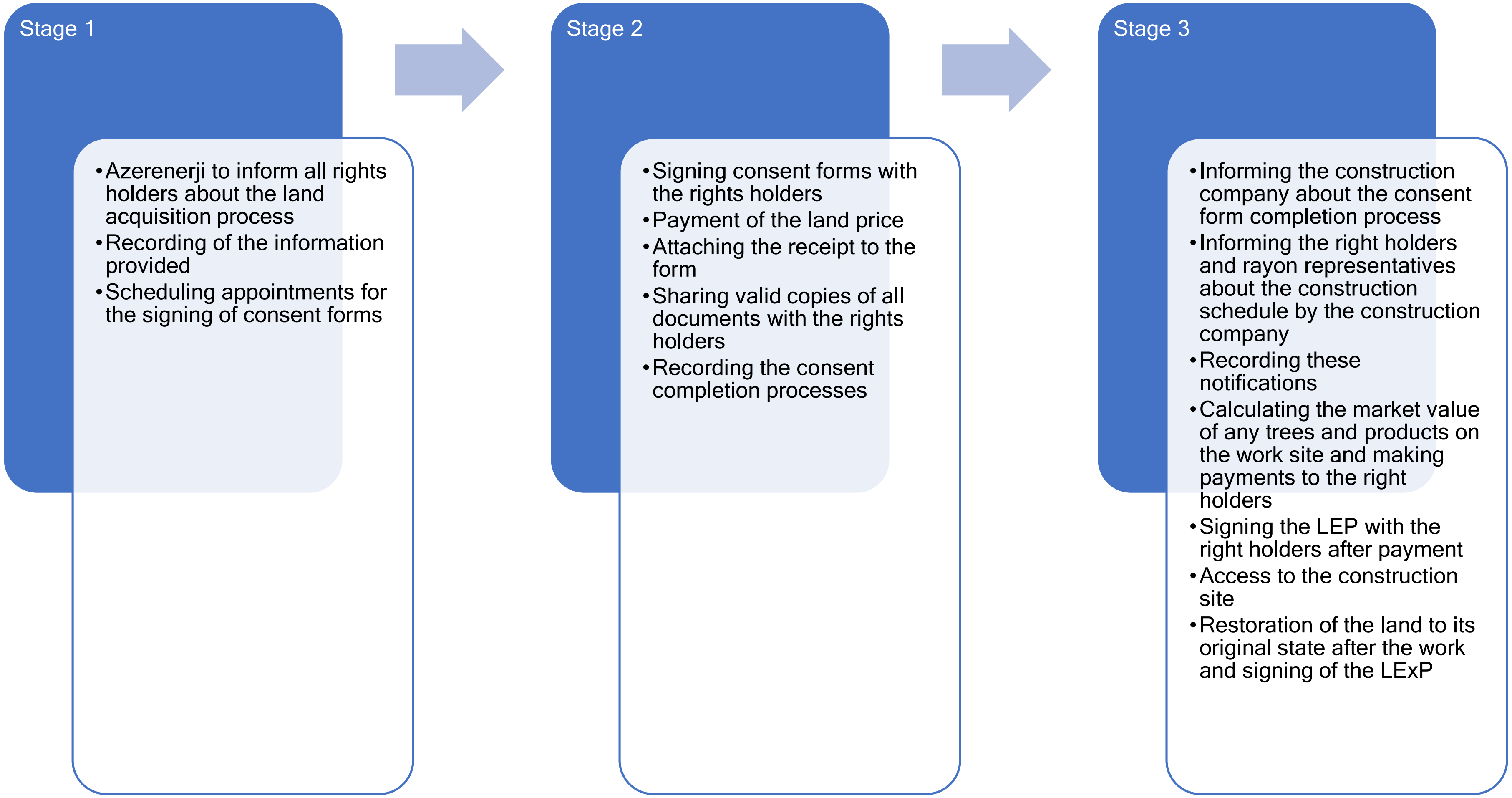


Figure 5-1 Land Acquisition Process

5.2. Pylon Acquisition Impact

a. Ownership and location

The Project includes a total of 714 pylons across 8 regions, affecting a total of 1,114 landowners, 22 formal tenants, and 11 businesses.

A breakdown by region indicates variations in the scale and type of impacts:

- Goychay (128 pylons) and Hajigabul (157 pylons) represent some of the highest concentrations of pylons along the Project corridor.
- Aghsu (110 pylons) and Yevlakh (100 pylons) also have a significant number of pylons.
- İsmayilli (33 pylons) and Mingachevir (19 pylons) are comparatively less affected in terms of total pylon numbers.

In terms of affected stakeholders:

- The majority of impacts relate to landowners, totaling 1,114 individuals, indicating widespread land-based impacts across the Project area.
- A relatively small number of formal tenants (22) are affected, suggesting limited use of leased land within the Project footprint.
- 11 affected businesses have been identified, with impacts concentrated primarily in Hajigabul and Yevlakh.

Table 5-1 Impact of Pylon Locations Land Acquisition

No	Region	Total Number of Pylons	Number of Landowners	Number of Formal Tenants	Number of Businesses
1	Aghdash	91	0	1	0
			182	2	2
			182	3	2
2	Aghsu	110	7	0	0
			397	1	0
			404	1	0
3	Goychay	128	0	0	0
			0	4	0
			169	0	0
			169	4	0
4	Hajigabul	157	0	2	15
			117	0	1
			117	2	16
5	İsmayilli	33	0	5	0
6	Mingachevir	19	0	1	1
7	Shamakhi	76	0	0	0
			241	0	0
			241	0	0
8	Yevlakh	100	0	0	1
			0	1	4
			72	6	1
			72	7	6
Total	8 region	714	1,114	22	11

b. Land Type

The Project will involve the installation of 714 pylons, each with an average base area of approximately 300 m², along a transmission line with a total length of 235 km. It should be noted that not all pylon bases are the same. Those that are "angle" towers/pylons differ in size from those that are not dealing with bends or angles in the line. The pylons are distributed across 108 units in 8 regions, comprising 4 urban areas (4%), 60 villages (56%), and 44 non-residential units (40%), including pastures and rangelands.

Across all settlement types, **the affected lands are predominantly classified as agricultural lands or rangelands/pastures**, indicating that Project impacts are largely concentrated on land used for livelihood-related activities.

The total affected land area is 175,591 m², of which 62% is located within villages, 34% within non-residential areas, and 5% within urban areas. This distribution highlights that the majority of impacts occur in rural and livelihood-dependent areas, where land use is closely linked to agriculture and livestock activities.

Table 5-2 Information of Impacted Area

Settlement Type	Impacted Area m²	%
Province	8,287	5%
Village	108,010	62%
Non-residential	59,294	34%
Grand Total	175,591	100%

Table 5-3 Detailed Information of Area Affected by Pylons

No	Region	Total Number of Pylons	Km	Impacted Settlement	Settlement Number
1	Aghdash	91	15	Non-Residential	4
				Village	9
				Total	13
2	Aghsu	110	44	Province	1
				Village	23
				Total	24
3	Goychay	128	63	Province	1
				Non-residential	1
				Village	9
				Total	11
4	Hajigabul	157	62	Non-residential	22
				Village	3
				Total	25
5	İsmayilli	33	10	Village	2
6	Mingachevir	19	3	Province	1
7	Shamakhi	76	10	Non-residential	10
				Village	5
				Total	15
8	Yevlakh	100	28	Province	1
				Non-residential	7
				Village	9
				Total	17
Total	8 region	714	235	Total	4 provinces 60 village 44 non-residential unit

c. Ownership Types

The Project affects three main types of land parcels: privately owned, state-owned, and municipal lands.

Private Parcels

Private land accounts for a total impacted area of 53,485 m², representing approximately 30% of the total affected area. A total of 246 pylons (34%) are located on private parcels. Poles of various sizes will be used in the construction. When evaluating their effects here, the average size of the pole bases has been taken into account. The average pylon footprint on private land is 217 m², with sizes ranging between 188 m² and 301 m².

In addition, certain tenure-related complexities have been identified:

- A total of 2,097 m² across 20 parcels in 6 settlements within 2 regions are currently subject to ownership disputes, with court cases ongoing (see Table 5.4).
- Furthermore, 3,400 m² across 21 parcels in 13 settlements within 4 regions have unidentified legal owners (see Table 5.5).

These cases represent potential risks for land acquisition, particularly in terms of delays in securing agreements and compensation payments.

For such cases the compensation amount will be deposited to bank account of nearest public notary office for later claiming by rightful PAPs.

Table 5-4 Under Court/disputed Private Parcels

No	Region	Number of Settlements	Number of Disputed Parcels	Total Impacted Area m²
1	Goychay	3	4	235
2	Yewlax	3	16	1,862
3	Total	6	20	2,097

Table 5-5 Private Parcels with Unknown Owner

No	Region	Number of Settlements	Number of parcels	Total Impacted Area m²
1	Aghdash	1	1	230
2	Aghsu	3	4	637
3	Goychay	3	9	1,519
4	Yewlax	6	7	1,014
5	Toplam	13	21	3,400

State lands:

State-owned land constitutes the largest share of affected land, with a total impacted area of 69,943 m² (40%). A total of 289 pylons (40%) are located on state land. The average pylon footprint on state land is 242 m², ranging from 151 m² to 286 m².

Municipal lands:

Municipal lands account for 52,163 m² (30%) of the total impacted area, with 229 pylons (32%) located on such land. The average pylon footprint is 228 m², with sizes varying between 165 m² and 250 m².

Table 5-6 Distribution of Affected Parcels by Parcel Type

No	Region	Total Number of Pylons	Impacted Private Parcel Area m²	Number of Pylons - Private	Average Pylon/Area m²	Impacted State Parcel Area m2	Number of Pylons - State	Average Pylon/Area m²	Impacted Municipality Parcel Area m²	Number of Pylons - Municipality	Average Pylon/Area m²
1	Aghdash	91	9,017	30	301	9,235	41	225	4,231	19	223
2	Aghsu	110	15,777	84	188	907	6	151	10,514	47	224
3	Goychay	128	7,980	39	205	7,145	25	286	16,222	72	225
4	Hajigabul	157	5,937	26	228	29,523	121	244	3,496	14	250
5	İsmayilli	33	0	0	0	0	0	0	7,951	33	241
6	Mingachevir	19	230	1	230	759	3	253	3,956	16	247
7	Shamakhi	76	5,922	27	219	11,347	48	236	825	5	165
8	Yevlakh	100	8,622	39	221	11,027	45	245	4,968	23	216
Total	8 region	714	53,485	246	217	69,943	289	242	52,163	229	228
%		100%	30%	34%	NA	40%	40%	NA	30%	32%	NA

5.3. Impacts on Right of Way

a. Ownership type and location

Within the easement corridor, a total of 1,785 private landowners and shareholders are affected. In addition, 34 legal tenants—primarily leasing state and municipal lands—have been identified. The Project also affects 11 businesses located across private, state, and municipal lands, including both landowners and tenants engaged in commercial activities.

A breakdown by region indicates significant variation in the distribution of affected stakeholders. Aghsu (1,596) and Aghdash (980) have the highest number of affected landowners, followed by Goychay (859) and Shamakhi (550). In contrast, relatively fewer affected landowners are observed in Hajigabul (208) and Yevlakh (293), while İsmayilli and Mingachevir show very limited numbers.

Legal tenants are distributed across most regions, with the highest numbers in Goychay (6) and Aghdash and Yevlakh (5 each). The presence of affected businesses is relatively limited, with concentrations in Goychay (6) and smaller numbers across other regions. The total are impacted by easement is 8,132,743 m^2(813.3 ha).

Table 5-7 Distribution of Parcels by Ownership

No	Region	Number of Owners	Number of Legal Tenants	Number of Businesses
1	Aghdash	980	5	3
2	Aghsu	1,596	2	0
3	Goychay	859	6	6
4	Hajigabul	208	3	2
5	İsmayilli	5	5	0
6	Mingachevir	0	3	1
7	Shamakhi	550	0	1
8	Yevlakh	293	5	3
Total	8 regions	1,785	34	11

b. Land type

57% of the route will pass through rural areas, 1% through urban areas, and 42% through non-residential areas. Although the type of land use varies, the impacted areas are generally either agricultural land or pasture and grazing areas.

Table 5-8 Distribution of Parcels by Settlement Type

Settlement Type	Area (m^2)	%
Province	65,289	1%
Village	4,661,592	57%
Non-residential	3,405,862	42%
Grand Total	8,132,743	100%

Table 5-9 Distribution of Affected Parcels by Settlement Type

No	Region	Settlement Type	Number of settlement	Impacted Private Parcel Area (m²)	Impacted State Parcel Area L (m²)	Impacted Municipality Parcel Area (m²)	Total Impacted Area (m²)
1	Aghdash	Non Residence	2	0	352,370	27,112	379,482
1	Aghdash	Village	8	706,757	0	53,017	759,774
2	Aghsu	Province	1	21,306	0	0	21,306
2	Aghsu	Village	19	1,195,734	0	11,926	1,207,660
3	Goychay	Province	1	0	292	0	292
3	Goychay	Non Residence	1	0	212,177	0	212,177
3	Goychay	Village	8	575,273		82,531	657,804
4	Hajigabul	Non Residence	7	0	1,580,159	0	1,580,159
4	Hajigabul	Village	2	464,758	2,852	0	467,610
5	İsmayilli	Village	3	5,227		455,615	460,842
6	Mingəçevir	Province	1	0	8,593	35,098	43,691
7	Shamakhi	Non Residence	1	0	887,008	0	887,008
7	Shamakhi	Village	5	516,597	0	0	516,597
8	Yevlakh	Non Residence	1	118,326	228,710	0	347,036
8	Yevlakh	Village	9	516,858	0	74,447	591,305
	8 regions	54 villages, 3 provinces, 12 non-residence	69	4,120,836	3,272,161	739,746	8,132,743

c. Parcel Type

The types of parcels affected by the project include private, municipal, and state lands.

Private Parcels:

- The easement area passing through private parcels is 4,120,836 m², accounting for 51% of the total easement area
- The legal owners of a total area of 194,432 m² across 10 settlements in 3 regions are unknown.

Table 5-10 Private Parcels by Parcel Type

No	Region	Number of Settlements	Number of Parcels with Unknown Owners	Total Impacted Area (m²)
1	Aghsu	1	1	8,092
2	Goychay	5	46	46,820
3	Yewlax	4	70	139,520
	Toplam	10	117	194,432

State Lands:

The area of the route passing through state parcels is 3,272,161 m², accounting for 40% of the total route.

Munipicial Lands:

The easement area passing through municipal parcels is 739,746 m², accounting for 9% of the total line.

Table 5-11 Distribution of Affected Parcels by Settlement Type

No	Region	Impacted Private Parcel Area (m^2)	Impacted State Parcel Area (m^2)	Impacted Municipality Parcel Area (m^2)	Total Impacted Area (m^2)	%
1	Aghdash	706,757	352,370	80,129	1,139,256	14%
2	Aghsu	1,217,040	0	11,926	1,228,966	15%
3	Goychay	575,273	212,469	82,531	870,273	11%
4	Hajigabul	464,758	1,583,011	0	2,047,769	25%
5	İsmayilli	5,227	0	455,615	460,842	6%
6	Mingachevir	0	8,593	35,098	43,691	1%
7	Shamakhi	516,597	887,008	0	1,403,605	17%
8	Yevlakh	635,184	228,710	74,447	938,341	12%
Total	8 region	4,120,836	3,272,161	739,746	8,132,743	100%
%		51%	40%	9%	100%	

5.4. Potential Resettlement and Economic Displacement Impacts

The Project is designed to avoid any physical resettlement impacts. In the event that unforeseen situations arise during implementation, the alignment will be adjusted as necessary to prevent displacement.

5.4.1. Perceptions of Project Impacts

Based on the household survey conducted with 596 respondents, overall awareness of project impacts appears limited. A majority of respondents (62%) reported that they had no opinion regarding the potential impacts of the Project, while 18% anticipated negative impacts, 14% expected both positive and negative outcomes, and only 6% perceived the Project as having purely positive effects. Among those who identified positive impacts, the most commonly cited benefit (65%) was that the Project is a state-supported initiative, followed by expectations of compensation payments to landowners (17%) and perceived contributions to development and energy supply (17%). These findings suggest that positive perceptions are largely associated with institutional trust and compensation expectations, rather than direct livelihood improvements.

Table 5-12 Approach to Project Impacts

Region	Positive	Negative	Both	Unknown	Total
Aghdash	5	16	16	90	127
Aghsu	7	30	22	113	172
Goychay	4	18	17	102	141
Hajigabul	5	6	6	14	31
İsmayilli	0	0	2	1	3
Mingachevir	1	0	0	1	2
Shamakhi	12	16	15	31	74
Yevlakh	2	20	5	19	46
Total	**36**	**106**	**83**	**371**	**596**
%	**6%**	**18%**	**14%**	**62%**	**100**

Source: Household Surveys, 2026

Table 5-13 Distribution of Expected Positive Impacts of the Project

Region – Positive Impacts	State-supported project	Development and energy suplly	Granting compensation
Aghdash	15	0	1
Aghsu	17	5	3
Goychay	13	1	4
Hajigabul	1	3	1
İsmayilli	0	0	0
Mingachevir	0	1	0
Shamakhi	9	5	6
Yevlakh	1	0	0

Total	**56**	**15**	**15**
%	**65%**	**17%**	**17%**

Source: Household Surveys, 2026

Concerns regarding negative impacts are primarily related to agriculture, which constitutes the main livelihood source in the Project area. A significant proportion of respondents (65%) indicated that crop damage and associated income loss represent the key risk. Additional concerns include land fragmentation (15%), potential impacts on livestock activities (8%), and land depreciation (5%). These perceptions highlight the sensitivity of agricultural livelihoods to project-related disturbances.

Table 5-14 Distribution of Expected Negative Impacts of the Project

Region - Negative Impacts	Damage to agricultural activities (crop, fruit trees, etc) and decrease income	Division of land	Damage to livestock	Land depreciation	Other	Total
Aghdash	22	2	2	2	3	31
Aghsu	53	1	5	5	7	71
Goychay	25	9	2	0	5	41
Hajigabul	6	3	0	1	0	10
İsmayilli	0	0	0	0	0	0
Mingachevir	0	0	0	0	0	0
Shamakhi	24	5	2	2	1	34
Yevlakh	8	13	5	0	0	26
Total	**138**	**33**	**16**	**10**	**16**	**213**
%	**65%**	**15%**	**8%**	**5%**	**8%**	**100%**

Source: Household Surveys, 2026

5.4.2. Project's Impact on Livelihoods

The average area affected by the pylon locations is 246 m², accounting for 0.8% of the total average land area. In terms of direct land impacts, the Project is expected to have a limited effect on landholdings. The average agricultural landholding size is approximately 2.9 hectare, while the average area affected by individual pylon locations is 246 m², corresponding to approximately 0.8% of the average holding. On this basis, permanent land acquisition associated with pylon footprints **is not expected** to result in significant livelihood impacts at the household level.

Within the right-of-way, agricultural activities are expected to continue during operation, subject to certain restrictions, including the prohibition of constructing buildings and planting tall trees. Field observations indicate that commonly cultivated fruit trees, such as pomegranate, apple, and pear, are generally compatible with these restrictions and as such need not be cut. However, annual crops such as barley, wheat, and clover, which are widely cultivated across the Project area, **are likely to be more vulnerable to construction-related impacts**.

The **most significant livelihood risks are associated with temporary impacts during the construction phase rather than permanent land acquisition.** The average distance between pylons is approximately 250 meters, with an average right-of-way width of 90 meters. This results in a potential temporary impact area of approximately 22,500 m² between two pylons. In addition, field observations indicate that agricultural plots are often contiguous and lack internal access roads, meaning that access to pylon locations may require crossing adjacent parcels. **As a result, the area affected by construction activities may extend beyond the immediate footprint of the pylons, increasing the likelihood of damage to crops and trees. If construction activities coincide with the cropping season, this may lead to temporary but potentially significant income losses for affected households. The crop impact will be compensated for maintenance activities by Azer Enerji.**

Professional farmers, including those engaged in orchard and fruit cultivation, have expressed concerns that project activities may affect their trees and that compensation may not reflect full market value. Given the importance of perennial crops to household income, these concerns highlight the sensitivity of tree-based livelihoods to project impacts. Accordingly, the Project will seek to avoid orchards and tree assets to the extent feasible through design optimization and careful construction planning. Where avoidance is not possible, valuation of affected trees will be a critical aspect of the compensation process and will be undertaken at full replacement cost, in line with applicable national legislation and international standards, to ensure that affected persons are not economically disadvantaged.

Although the area directly affected by the pylons is small, it will be necessary to enter the land to erect the pylons, and the land between the pylon sites will be used for construction activities while the lines are being laid. On average it takes five days to construct a pylon. During the fieldwork, it was observed that the visited fields lacked internal access roads and consisted of adjacent plots. Consequently, access to the pylon locations will require crossing neighboring plots, and it is estimated that the number of crop areas and trees affected by construction activities will be higher. **Therefore, before entering the land, assets located within the construction corridor and on the access roads must be identified prior to construction, an LEP must be prepared, asset compensation must be paid, prior to access, to the owners, and the land must be restored to its original condition after construction. No new permanent roads will be built to access the land; the existing temporary roads will be restored to their original condition after construction.**

Livestock farming is practiced in the region. 49% of participants stated that they engage in livestock farming. The average number of large livestock per household is 7, and the average number of small livestock is 45. There are extensive grazing lands in the settlements. 78% of households stated that they graze their livestock on their own lands, while 19% stated that they use communal grazing lands. As the Project is not expected to disrupt livestock migration routes and grazing activities can continue within the right-of-way during operation, impacts on livestock activities are anticipated to be limited.

Legal tenants and agricultural businesses operating within the Project area are also dependent on agricultural production and livestock activities. Accordingly, the impacts identified for landowners—particularly those related to crop damage and temporary access restrictions—are equally applicable to these groups.

No structures are expected to be directly affected within the Project footprint. However, structures located in proximity to the easement boundary may be subject to indirect impacts, which are considered within the overall impact assessment. Detailed information is provided in Section 8.

Given the importance of temporary construction impacts, particular emphasis will be placed on the identification and management of affected assets prior to land entry. This will include the preparation of detailed asset inventories, implementation of land entry procedures, compensation of affected crops and trees prior to construction, and restoration of land to its original condition following completion of works. The construction company will be responsible for identifying users on the site and preparing site access protocols. Azer Enerji, meanwhile, will be responsible for payments related to the site and the assets located there.

Overall, **while permanent land acquisition is limited in scale and is not expected to significantly affect livelihoods, temporary impacts during construction—particularly those affecting agricultural production—represent the primary source of livelihood risk and will require careful management and mitigation**.

5.4.3. Gender Impact

This section examines the potential gender-specific impacts of the project and assesses the different outcomes that project activities may have on men and women. The analysis draws on quantitative data from household surveys and field verification activities, qualitative observations from community consultations, and business employment data collected from project-affected enterprises. It is structured to address both the findings from fieldwork and their broader implications for project design, compensation procedures, and community engagement.

The findings indicate that women in the project-affected area face compounding vulnerabilities: limited representation in formal economic activities, dependence on seasonal agricultural income, exclusion from formal land title, and restricted participation in public decision-making processes. These conditions are not incidental to the project context — they are structurally relevant to the risk that project impacts, including land access restrictions and livelihood disruption, will fall disproportionately on women while compensation and decision-making remain concentrated among men.

For the pylon surveys, a total of 45 settlements across 8 regions were visited, and 238 households were interviewed. Of the respondents, 16% were women, indicating relatively limited women's participation in the survey process.

Similarly, the survey of households affected by easement areas was conducted between 12.01.2026 and 23.01.2026. During this phase, 22 settlements across 6 regions were visited, and a total of 358 households were interviewed, of which 13% were women.

Overall, the fieldwork covered 45 settlements across 8 regions, with a combined total of 596 households surveyed. Women's participation across both survey phases was low and accounted for approximately 14% of respondents. This indicates a significant lack of women's representation. As a result, the data collected may understate the actual scale of gender-differentiated impacts — particularly in relation to agricultural livelihood disruption, informal land use, and access to compensation. It is strongly recommended that targeted women-only disclosure activities to be conducted prior to RAP finalisation in at least the five highest-impact settlements, using female facilitators.

Table 5-15. Women Interviewed

No	Region	Total	Male	Female	%
1	Aghdash	127	118	9	21%
2	Aghsu	172	144	28	29%
3	Goychay	141	122	19	24%
4	Hajigabul	31	28	3	5%
5	İsmayilli	3	3		0,5%
6	Mingachevir	2	3		0,3%
7	Shamakhi	74	63	11	12%
8	Yevlakh	46	32	14	8%
	Total	596	512	84	
	%	100%	86%	14%	100%

Source: Household Surveys, 2026

Field verification activities were conducted between 15 and 20. February 2026 and covered 27 settlements spread across 7 districts. During this phase, interviews were conducted with a total of 125 affected landowners, only 5 of whom (4%) were female.

In addition, interviews were conducted with 29 public officials, only two of whom were women. This reflects the limited presence of women in local government and administrative roles, consistent with broader patterns of gender exclusion from public decision-making in the region. The low female participation rate in field verification is particularly significant in the context of land ownership and compensation access. In Azerbaijan, agricultural land is predominantly registered in men's names, a legacy of both Soviet-era registration practices and prevailing inheritance norms. Where project-affected households are identified through formal land registration records, women who are de facto land users — contributing agricultural labour, managing livestock, or cultivating crops on household parcels — are not captured as entitled persons in their own right. This creates a structural risk that compensation payments flow exclusively to male titleholders, with no assurance that women household members have equitable access to or benefit from those payments.

Field observations indicate that the low participation of women compared to men is largely due to prevailing *gender norms* in the region. In the settlements studied, men are more present in public spaces and actively participate in interviews and events due to social and cultural reasons. Although women are actively involved in household-based livelihood activities — including agriculture and livestock keeping — they have limited visibility in public settings and rarely participate in community consultations without specific facilitation. This constitutes a key reason for the low representation of females in the field activities.

Field studies indicate that women's employment outside the home is largely confined to agricultural activities carried out alongside family members. Within the surveyed settlements, wheat and barley are the primary crops cultivated. Women participate mainly during planting and harvesting seasons, with few or no income-generating opportunities available at other times of year. This seasonal concentration of women's economic activity has a direct implication for project impact assessment: if construction activities or land access restrictions coincide with planting or harvesting seasons, the income loss falls disproportionately on women, who have no alternative income source during other periods. The project's construction schedule and land access programme should therefore be assessed against the agricultural calendar, and livelihood restoration measures should explicitly account for this gendered seasonality pattern.

The Agrofront business, operating in the village of Bığır, produces fruit and specializes particularly in pomegranate production. The company employs local women in its pomegranate orchards and places importance on women’s employment. Observations in the region indicate that women have no other employment opportunities outside of this pomegranate orchard. Therefore, the business’s social impact on the region and its role in women’s employment are considered significant.

In surveys conducted by Azerenerji, interviews were held with 9 businesses that will be affected by the project. An analysis of the gender distribution of employees across businesses shows that 86% of the workforce is male, while 14% is female. Women employees are present in only two businesses, namely Agro Dairy LLC and Kraun Kor LLC. The share of female employees is 15% in Agro Dairy LLC and 8% in Kraun Kor LLC. This indicates that women’s employment in the businesses within the region is limited and that women’s participation in the workforce remains low.

Table 5-16. Number of Women in the Workforce

Name of Workplace	Specialists/White Collars (Male)	Specialists/White Collars (Female)	Workers/Blue Collars (Male)	Workers/Blue Collars (Female)	Total	Female%	Male %
Agrofront	5	0	20	0	25	0%	100%
Üçqovaq fruit LLC	6	0	2	0	8	0%	100%
Türyançay LLC	3	0	0	0	3	0%	100%
Agrovest LLC							
Agro Dairy LLC	1,500	300	1,050	150	3,000	15%	85%
Goychay Agro LLC	18	0	16	0	34	0%	100%
Aqro-Azərinvest							

A+Zetta LLC	1	0	5	0	6	0%	100%
Kraun Kor LLC	65	3	43	7	118	8%	92%
Total	1,598	303	1,136	157	3,194		
%	50%	9%	36%	5%	100%		

Source: Workplace Surveys, 2026

The project context presents several conditions that are associated with elevated GBV/SEA risk in the international literature on infrastructure projects:

- Large-scale construction activity bringing an external (and predominantly male) workforce into rural communities with conservative gender norms and limited female presence in public spaces.
- Low female participation in consultations and grievance mechanisms, reducing the likelihood that GBV/SEA incidents will be reported through formal channels.
- Limited presence of formal support services (counselling, legal aid, health referral) in the affected regions.
- Economic dependency of women on male household members, which can reduce their ability to report or leave situations of domestic or community violence that may be exacerbated by project-related stress, displacement, or income disruption.

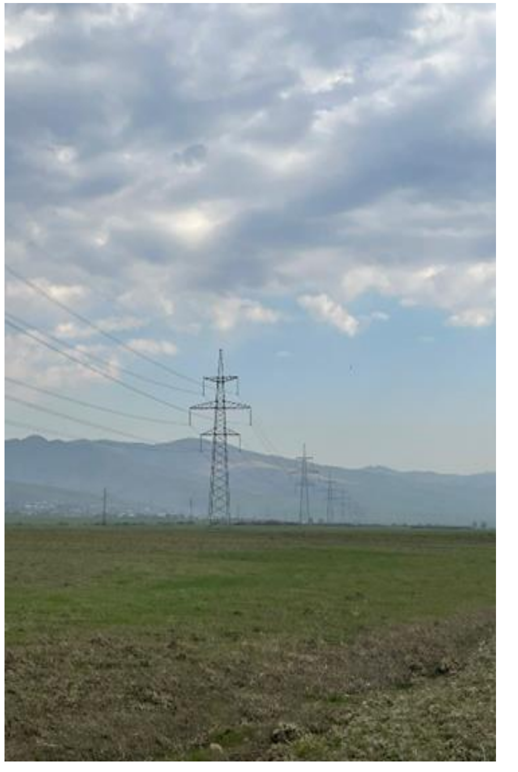
Considering these findings and field observations, it is evident that women in the affected settlements generally have limited representation in economic activities and decision-making processes. This highlights the importance of specifically addressing the needs and interests of women within the project. It is recommended that project implementation measures be planned and carried out to enhance women' participation and to support employment and social benefits.In this context, a female social specialist, to be employed by Azerenerji, will be assigned the responsibility of enhancing women's participation and supporting employment and social benefits during project implementation. This specialist will provide information to women in the affected settlements

5.4.4. Key Impact Findings

Table 5-17. Verification Study Key Impacts Table

Location	Impact	Photo
Goychay, Bığır village	The Agrofront fruit production business operating in Bığır village specializes particularly in pomegranate cultivation, and the project route is expected to affect the existing pomegranate orchard. However, due to the lack of detailed maps and pylon layout plans related to the project route, the enterprise is unable to clearly assess the exact location and extent of the potential impact within the orchard. The business requests that no damage be caused to the orchard and trees during the construction phase of the project. It is also noted that the enterprise makes a significant contribution to female employment in the region. In this context, it is recommended that the project route be revised, where feasible, to avoid the orchard. If route modification is not technically possible, appropriate mitigation and preventive measures should be implemented to minimize potential impacts during both the construction and operation phases.	 

Aghsu- Gegeli village	One of the residents of Gegeli village, cultivates maralfalfa (Napier grass) on an area of approximately 12,000 m². This plant is a perennial, high-yield forage crop. It is harvested when it reaches a height of approximately 6–7 meters, and crops can be harvested 3–4 times a year. Within the scope of the project, this agricultural land is expected to be affected. In particular, it is assessed that the plants may have to be harvested before reaching sufficient height due to the presence of conductors between the transmission line towers. This situation poses a risk of income loss. In this context, it is recommended that the project design be revised, if possible, to avoid this agricultural land. If avoiding the agricultural land is not technically feasible, appropriate compensation and additional support mechanisms must be developed to offset any potential income losses.	
Aghsu- Arabuşağı village	In the village of Arabuşağı, unlike other settlements in the region, garlic farming is the primary agricultural activity rather than wheat and barley production. During interviews, it was stated that the garlic harvest takes place in May. In this context, it is requested that project construction activities be initiated after the harvest season. Otherwise, it has been noted that any compensation for potential crop losses must be determined based on current market prices.	

Aghsu-Gegeli village	The project route is observed to run parallel to the existing transmission line. It has been identified that agricultural activities continue in the areas located beneath the existing line and that these areas are actively used. During the field visits, it was observed that agricultural production is similarly maintained in many settlements visited. This indicates that the existing transmission line does not pose any restrictions on agricultural production. To illustrate this situation, a photograph taken in Gegeli village has been included.	

Yevlakh- Havarlı village	A land parcel with a land registry issue has been identified in the village. The owner of the parcel in question has not been clearly identified, and it may currently being used by multiple users. The compensation for crops will be paid to the land user until the legal owner is identified. The right to the land asset compensation will be reserved until the legal owner is identified.	
Agdash -Arab village	During fieldwork, it was identified that agricultural orchards exist in three settlements. Since no markings indicating the exact locations of the transmission line pylons have been made, orchard owners continue to plant trees or are uncertain about whether to plant new ones. Therefore, it is important to establish clear markings along the project route. In addition, trees affected by the project should be compensated through a full replacement approach. It should be evaluated whether the losses of the tree owners can be included within the LRP.	

5.5. Informal Users

No informal users were identified during the asset inventory. However, during the subsequent data review and field verification process, it was observed that there is a possibility of informal land use on certain privately owned parcels. In this context, one informal user was identified in Yevlakh.

Information obtained through interviews with farmers and local authorities indicates that the prevalence of informal land use in the Project area is generally very low. Nevertheless, a conservative approach has been adopted for assessment purposes. A total of 21 privately owned parcels with unclear ownership status and 117 parcels affected by easements have been identified as potentially susceptible to informal use.

In the absence of complete verification, it has been assumed, on a precautionary basis, that informal users may be present on all such parcels. Accordingly, the maximum potential number of informal users has been estimated at 138. This assumption represents a worst-case scenario and is intended to ensure that all potentially affected users are considered within the scope of impact assessment and mitigation planning.

Prior to commencement of works, all parcels identified as potentially affected will undergo field verification to identify informal users by the PIU and SE. Verified users will be registered, informed of their rights, and included in compensation and assistance measures in accordance with the RAP. Compensation for affected assets will be provided prior to land access, and no works will proceed until all applicable measures are implemented. All cases will be documented, monitored, and subject to the Project GRM. Upon detection of informal users, the construction company, Azer Enerji, will be responsible for paying for all affected assets.

Table 5-18 Informal Users

No	Region	Type of Impact	Number of Settlements	Estimated Number of Informal Users
1	Aghdash	Pylon Location	1	1
2	Aghsu	Pylon Location	3	4
3	Goychay	Pylon Location	3	9
4	Yevlakh	Pylon Location	6	7
5	Total	Pylon Location	13	21
No	**Region**	**Type of Impact**	**Number of Settlements**	**Estimated Number of Informal Users**
1	Aghsu	Easement	1	1
2	Goychay	Easement	5	46
3	Yevlakh	Easement	4	70
	Total	Easement	10	117

Source: Azerenerji Census Database, 2026

5.6. Cumulative Impacts

The project route has been planned to run alongside the existing line as much as possible. However, in this case, a landowner whose property was previously crossed by a line would be affected by the Azerenerji line a second time.

However, during the interviews, only 4% of participants reported that another project had previously crossed their land. Therefore, the cumulative impacts of the project will be limited.

Table 5-19 Cumulative Impact

Region -	Yes	No	Total	Has your land been affected by any other project before - If yes explain
Aghdash	6	121	127	Electricity poles were erected in the field; A power line passes through the field.
Aghsu	8	164	172	Electricity poles were erected in the field; A power line passes through the field; A water line runs through the field; Water outage
Goychay	4	137	141	A power line passes through the field; A water line runs through the field.
Hajigabul	4	27	31	Electricity poles were erected in the field;
İsmayilli	0	3	3	
Mingachevir	0	2	2	
Shamakhi	3	71	74	A water line runs through the field; The road passed through the field.
Yevlakh	1	45	46	Azerenerji electric poles.
Total	**26**	**570**	**596**	
%	**4%**	**96%**	**100%**	

Source: Household Surveys, 2026

6. Mitigations, Compensation and Livelihood Restoration Measures

The Project's approach to land acquisition and livelihood impacts is structured around a sequential hierarchy of avoidance, minimization, compensation, and restoration, applied across the pre-construction, construction, and post-construction phases. This framework ensures that all impacts on land, assets, and livelihoods are managed in full conformity with national legislation and applicable international standards, including the World Bank's ESS5 and the principle of compensation at full replacement cost.

6.1. According to Construction Phases

6.1.1. Pre-Construction Phase: Avoidance and Planning

The primary objective of the pre-construction phase is to avoid and minimize impacts through early planning, route optimization, and proactive stakeholder engagement. Key risks at this stage include limited Project awareness among potentially affected communities, uncertainty regarding the finalized transmission line alignment, and potential impacts on privately owned land and productive assets, including orchards and built structures.

To address these risks, the Contractor will retain a dedicated Social Specialist to ensure continuous and meaningful communication with PAPs. Pylon locations will be physically marked in the field, and all landowners and land users will be formally notified, including disclosure of the applicable cut-off date in accordance with ESS5 requirements.

A central mitigation measure at this stage is the conduct of a micro-routing study, to be undertaken jointly by Azerenerji and the Contractor. The purpose of this study is to refine the transmission line alignment and, to the maximum extent technically feasible, avoid sensitive assets including orchards, structures, and areas under intensive cultivation. Where technically feasible, pylon positions will be shifted from the centre of affected parcels toward parcel boundaries or existing roadside corridors.

Following finalization of the route, the asset inventory will be updated to ensure all affected assets are accurately reflected as the basis for subsequent compensation and mitigation measures.

During the pre-construction phase, a detailed construction schedule will be prepared. Construction activities will be initiated on unused state-owned lands to minimize potential impacts.

6.1.2. Construction Phase — Prior to Site Entry: Impact Identification and Compensation

Prior to commencing any site activities, the Project will ensure that all persons potentially affected by land access, temporary occupation, or asset damage are identified, informed, and compensated in advance of construction.

For state and municipal lands, Azerenerji will identify both formal and informal land users and complete all required consent procedures with the relevant landowning institutions and legal tenants. Informal users will likewise be identified and duly notified. The Contractor will then prepare and execute Land Entry Protocols (LEPs) with all affected owners/users and provide compensation for affected assets prior to the commencement of works.

For privately owned parcels, the Contractor will identify required access routes and temporary easement areas, and will inform affected landowners, users, and occupants of neighbouring parcels in advance of entry. Azerenerji will bear responsibility for land compensation at full replacement cost for all permanent land acquisition at pylon locations. An additional 10% compensation uplift will apply in cases of cumulative impact — for example, where the affected parcel is already subject to an existing transmission line easement. No permanent roads will be constructed for the construction work; instead, existing roads and temporary roads opened as needed will be used, and the land will be restored to its original condition after the work is completed.

Where standing crops are present, the Project will seek, as a first preference, to schedule construction activities after harvest. Where this is not operationally feasible, the Contractor will compensate affected crops at market value, covering the current season's production loss. Income-generating trees will be compensated based on their net income value, and affected structures will be compensated at full replacement cost.

These compensation entitlements apply equally to landowners, formal users, and informal users, in accordance with ESS5's requirement of equitable treatment regardless of legal tenure status.

6.1.3. Construction Phase — During Construction: Impact Management and Additional Compensation

During the construction period, the principal risks relate to unanticipated damage to assets, disruption of livelihoods, and impacts on community infrastructure and safety.

Before the commencement of the works, all affected persons will be informed about the Project’s existing Grievance Mechanism, ensuring that concerns can be raised and addressed in a timely and accessible manner. The existing mechanism is structured as a two-tier system for handling grievances. The Contractor will implement measures to minimize damage during construction, including careful management of access routes, works corridors, and laydown areas.

Where damage to crops, trees, or structures occurs outside the scope of compensation previously agreed under Land Entry Protocols, the Contractor will provide additional compensation for all such affected assets. Damage to community infrastructure — including local roads and irrigation features — will be repaired promptly upon occurrence.

The Contractor will also implement community health and safety measures throughout the construction period, including traffic management controls, site safety measures, and measures to prevent livestock from accessing active works areas.

6.1.4. Post-Construction Phase: Land Restoration and Closure

Following completion of construction activities, the Project's focus shifts to the full restoration of affected land and formal closure of temporary impacts.

All land temporarily affected by construction activities will be reinstated to a condition suitable for continued agricultural or other prior use. The Contractor will prepare and execute a Land Exit Protocol (LExP) with each affected party — including landowners, tenants, informal users, and businesses — confirming to the satisfaction of the affected person that land has been adequately restored.

Any damage to community infrastructure will be repaired and reinstated to its pre-construction condition, and formal sign-off will be obtained from the relevant local authorities.

6.2. Permanent and Temporary Easement Areas

In addition to permanent land acquisition at pylon locations, the Project will result in impacts within both permanent and temporary easement areas.

Within permanent easements, landowners will retain full ownership of their land, and agricultural activities may continue subject to any applicable operational restrictions. Impacts on crops, trees, and structures occurring during construction within the permanent easement will be compensated: crop losses at market; income-generating trees based on net income value; and structures at full replacement cost. Structures located outside but in close proximity to the permanent easement boundary that are nonetheless affected by construction activities will also be eligible for compensation at full replacement cost upon request. For easement, the Project will compensate for any damages/losses to standing crops, and loss of tress or structures. Value loss due to easement is not foreseen for this Project[2]. The Expert Report on Easement - 500 kV Navahi OHL 235 km, prepared on this subject, is provided in Appendix 1.13.

During the operation and maintenance, Azerenerji will ensure that any damages caused to land, crops, trees, or assets within the permanent easement area, as a result of maintenance activities, are promptly identified and compensated. Such impacts may arise from periodic inspections, repair works, emergency interventions, or access by maintenance crews and equipment. Compensation will be provided in accordance with the same principles applied during construction, including market value for crops, net income value for trees, and full replacement cost for any affected structures. Affected landowners and users will be informed in advance of planned maintenance activities to the extent possible, and a dedicated grievance mechanism will be available to address any claims related to maintenance-related impacts in a timely and transparent manner.

Temporary easement impacts — primarily those associated with access routes and construction corridors — will be managed under the same compensation principles. All affected crops, trees, and structures within temporary easement areas will be compensated in full, in recognition that temporary construction impacts may extend beyond the immediate project footprint.

6.3. Measures for Vulnerable Groups and Gender Impact

The Project includes targeted provisions to address the specific circumstances of vulnerable individuals and households. Where vulnerable persons are subject to permanent land acquisition at pylon locations, they will receive an additional one month minimum wage compensation to uplift on top of the standard land compensation entitlement. This measure is designed to support the restoration of livelihoods and maintenance of living standards among those least able to absorb the impacts of displacement or asset loss, consistent with ESS5's requirements for differentiated support to vulnerable groups.

In order to overcome gender risks The Project will have a Code of Conduct for all project workers (direct and contracted), with explicit prohibitions on SEA and harassment, and a zero-tolerance enforcement mechanism including contract termination provisions. The Project’s grievance mechanism is structured to be GBV-sensitive grievance— confidential, accessible to women, with a documented referral pathway to local or regional support services. The Project’s Construction Company will have women Community liaison officer (CLO) that will engage with women.

6.4. Livelihood Restoration

A. Objective and Scope

This Livelihood Restoration Plan (LRP) has been prepared in accordance with World Bank Environmental and Social Standard 5 (ESS5) to ensure that Project Affected Persons (PAPs) whose livelihoods are impacted by land acquisition and easement activities are supported in restoring — and where possible improving — their income levels and living standards to at least pre-project levels.

The LRP focuses particularly on orchard producers and farmers engaged in perennial crop production, including pomegranate, apple, and other fruit trees. These groups are considered to face elevated livelihood risks relative to annual crop producers due to the long-term nature of their productive investments, the extended time horizons required for trees to reach maturity, and the compounding effect of even partial or temporary loss of productive capacity on multi-year income streams.

B. Key Livelihood Risks

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[2] According to the professional assessment of the appraisal company, the creation of a 60-meter wide ROW or easement corridor along the 235-kilometer 500 kV "Navahi s/s - Azerbaijan TPP" power transmission line will not lead to a decrease in the market value of land plots located within the ROW or corridor. Restrictions might be imposed on the actual use of land plots only taking into account certain technical and safety requirements, but these restrictions do not negatively affect the overall value of the property..

The impact assessment identified a distinct profile of livelihood risk for orchard producers and perennial crop farmers that warrants dedicated mitigation measures beyond standard compensation.

The most direct risk is the loss of productive trees — pomegranate, apple and other species — within pylon footprints and construction access corridors. Unlike annual crops, which can be replanted and yield income within a single growing season, perennial trees require several years following planting before reaching full productive maturity. This creates an extended income gap that standard crop compensation, if not carefully calibrated, may fail to fully address.

Construction activities also carry the risk of temporarily disrupting harvest cycles, particularly where scheduling cannot avoid peak growing periods. Even where trees are not directly felled, disturbance to access routes, soil compaction, and activity in adjacent plots can affect productivity across a wider area than the immediate construction footprint.

Affected farmers have also raised concerns during consultations regarding the adequacy of asset valuation, specifically whether compensation will fully reflect the productive income value of perennial crops rather than their replacement cost alone.

C. Livelihood Restoration Principles

The LRP is guided by a set of principles that reflect both ESS5 requirements and the specific livelihood context of affected farmers in the Project area.

Compensation alone is treated as a necessary but not always sufficient condition for livelihood restoration, particularly for perennial crop producers facing multi-year income gaps. The LRP therefore extends beyond financial redress to include targeted in-kind support measures designed to bridge the period between asset loss and the re-establishment of productive capacity.

The LRP also prioritises avoidance and minimization as the first line of response, recognising that livelihood impacts not incurred do not require restoration. Where impacts cannot be avoided, the LRP establishes a graduated set of measures calibrated to the nature, severity, and duration of the livelihood disruption.

D. Livelihood Restoration Measures

Avoidance and Impact Minimization

The first and preferred response to livelihood risk is to avoid it. The micro-routing study to be undertaken jointly by Azerenerji and the Contractor is the primary instrument for this, enabling pylon locations and access routes to be refined to minimize intersection with orchards and areas of high-value perennial production. Where pylon positions cannot avoid agricultural land, locations will be shifted wherever feasible toward parcel boundaries, thereby reducing the area of productive land permanently affected.

Construction scheduling is a further avoidance measure. Where operationally feasible, construction activities in and around productive areas will be timed to avoid peak growing and harvesting periods, minimizing disruption to income cycles even where physical impacts cannot be fully avoided. Access routes through agricultural land will similarly be minimized in extent, and their specific alignment will take into account the productive value of the land traversed.

Compensation Measures

Where impacts on livelihoods cannot be avoided, compensation will be provided in accordance with ESS5's full replacement cost principle. For income-generating trees, this means compensation calculated on the basis of the net present value of future income streams over the productive lifespan of the affected trees, rather than on the cost of the physical asset or sapling alone. This approach is designed to ensure that the economic value of the lost asset — including the income that would have been generated during the period required for replacement trees to reach maturity — is fully reflected in the compensation amount.

Affected crops will be compensated at market value on covering the current season's production loss. Compensation will be paid prior to land entry in all cases, in conformity with ESS5 requirements and consistent with the Land Entry Protocol (LEP) process.

Targeted Livelihood Restoration Support

Given the specific risks faced by orchard and perennial crop producers, the Project will implement a targeted package of livelihood restoration support that complements financial compensation. This support is designed to address the gap between the receipt of compensation and the restoration of productive capacity — a gap that is inherent to perennial agriculture and that cash compensation alone may not bridge effectively.

The core element of this support is an agricultural assistance program that will provide replacement saplings of the affected species — including pomegranate and other fruit trees — together with technical guidance on orchard re-establishment and productivity optimization. This assistance is intended not merely to facilitate replanting, but to support affected farmers in restoring productive orchards to a level of yield and quality comparable to that which existed prior to project impacts. Where farmers can benefit from improved planting practices or variety selection, technical assistance will seek to incorporate such improvements, consistent with ESS5's objective of livelihood improvement rather than mere restoration.

Implementation Arrangements

Clear allocation of responsibility is essential to effective LRP implementation. Azerenerji retains primary responsibility for all compensation related to permanent land acquisition at pylon locations, including tree and crop compensation within permanent easements. The Contractor bears responsibility for the execution of LEPs, payment of compensation for temporary impacts, restoration of all temporarily affected land and assets, and implementation of the targeted livelihood support program.

A dedicated Social Specialist, embedded within the Contractor's team, will oversee day-to-day implementation, maintain ongoing engagement with affected PAPs, and serve as the primary point of contact for livelihood-related concerns. This will be carried out in coordination with Azerenergy's Social Specialist, as they are ultimately responsible for the implementation of RAP-related matters The Social Specialist will also be responsible for monitoring implementation progress and escalating any cases where livelihood restoration is not proceeding as planned.

Monitoring and Evaluation

The effectiveness of livelihood restoration measures will be assessed during RAP internal and external monitoring. Follow-up consultations with affected households will be conducted at regular intervals to assess whether restoration measures are achieving their intended outcomes and to identify any emerging gaps. Where monitoring indicates that livelihood restoration is not on track, corrective measures will be identified and implemented promptly. The results of monitoring will be reported as part of the Project's broader social monitoring framework and shared with the World Bank as required.

7. Implementation Process, Eligibility and Entitlements Matrix

7.1. Responsibilities

Unit	Responsibilities
Azerenerji Project Implementation Unit (PIU)	1. Supervision of micro-route studies 1. Marking of pylon locations 2. Consultation, stakeholder engagement, and information sharing 3. Operation of the grievance mechanism and stakeholder communication 4. Capacity building and training of the construction contractor's staff and all GRM-related personnel on GRM procedures 5. Conducting audits of the construction contractor's implementation of the RAP, providing recommendations, and determining whether additional measures are necessary 6. Manage the end-to-end lifecycle of the Grievance Redress Mechanism (GRM), including the systematic logging, investigation, and resolution of all project-related grievances in accordance with established timelines. 7. Signing of consent forms with relevant stakeholders 8. Payment of compensation and/or entitlements to PAPs for impacted or lost assets and/or opportunities 9. Establish a systematic monitoring and evaluation (M&E) framework to track RAP implementation progress, including the delivery of compensation, livelihood restoration milestones, and the preparation of Quarterly Progress Reports (QPRs) for institutional review. 10. The PIU will conduct internal monitoring to confirm that: • All eligible PAPs have received full compensation and assistance • Livelihood restoration measures have been delivered as planned • Vulnerable PAPs have received targeted support
Ministry of Finance (MOF)	1. Controls the entire land acquisition process from consultation, valuation, RAP preparation and compensation payments
Grievance Redress Committee (GRC)	1. The region executive power will create the GRC wherever a land acquisition and resettlement issue involves, receiving and resolving grievances from PAPs and other stakeholders. 2. If the grievance is not resolved, the GRC refers the grievance to the MOF
Supervision Engineer (SE)	1. Conducting audits of the construction contractor's implementation of the RAP, providing recommendations, and determining whether additional measures are necessary 2. Confirmation of payment of compensation and/or entitlements to PAPs for impacted or lost assets and/or opportunities 3. Monitoring of Land entry and Land exit protocols 4. Monitoring of grievances received by the Contractor 5. Supervision of micro-routing 6. Confirmation of identification of informal/formal users prior to site entry 7. Preparation of Notice to Proceed for allowing site access to the Contractor upon approval of Social Readiness Report through external monitoring by the World Bank. 8. Preparation of monthly monitoring reports 9. Verifies site activities match approved plans

	10. Has authority to issue Non-Compliance Reports (NCRs) and suspend works for E&S/safety hazards 11. Documents Review & Validation body
Construction Contractor	1. Employing a full-time Social Specialist to work on-site 2. Conducting the micro-routing study and finalizing the route, applying an avoidance approach to structures and income-generating trees where possible 3. Managing the Grievance Mechanism at the contractor level and regularly reporting grievances to the PIU 4. Regularly monitoring field activities (daily, weekly, monthly, etc.) 5. Conducting information activities with region authorities and relevant PAPs before entering land in settlements and documenting these activities 6. Preparing Land Entry and Land Exit Protocols and ensuring they are signed by the relevant stakeholders 7. Making payments to the relevant PAPs with the approval of the Azerenerji PIU and keeping records of these payment 8. Implementing the necessary community health and safety measures at the construction site 9. Ensuring that animals are prevented from entering or crossing the construction site 10. Ensuring compensation or repair of damages arising from construction activities (e.g., damages to crops or infrastructure)

7.2. Eligibility Criteria

The eligibility criteria for PAPs entitled to benefits from the entitlement matrix are specified below. PAPs affected by pylon locations and permanent easements must have been affected before the cut-off date to be eligible for these benefits. Eligible PAPs affected by temporary easements will be identified during the construction activities.

No	Land Acquisiton Type	Impacts Type	Elibility Critera
1	Land Acquisition for Pylon Locations	Land Acquisition	Formal Landowners and/or Shareholders
			Formal Landowner Businesses
			Municipal and State Landowner Institutions
			Vulnerable Groups
			Landowners Affected by Cumulative Impacts
			Owners and Shareholders Who Can Legally Document Ownership on Lands with Unknown or Disputed Title
		PAPs Affected by Lands, Crops, Trees, and Structures	Land Users of Formal Landowners and/or Shareholders
			Formal Landowner Businesses
			Formal Tenant Businesses
			Formal Tenants
			Informal Users
		PAPs Affected by Damage to Common Infrastructure (e.g., Roads, etc.)	Relevant Region Representatives
			Relevant Common Infrastructure User PAPs
2	Permanent Easement	PAPs Affected by Lands, Crops, Trees, and Structures	Land Users of Formal Landowners and/or Shareholders
			Formal landowner businesses
			Formal tenant businesses
			Formal tenants
			Informal users

		PAPs Affected by Damage to Common Infrastructure (e.g., Roads, etc.)	Relevant region representatives
			Relevant common infrastructure user PAPs
3	Temporary Easement	PAPs Affected by Lands, Crops, Trees, and Structures	Land Users of Formal Landowners and/or Shareholders
			Formal landowner businesses
			Formal tenant businesses
			Formal tenants
			Informal users
		PAPs Affected by Damage to Common Infrastructure (e.g., Roads, etc.)	Relevant region representatives
			Relevant common infrastructure user PAPs

7.3. Cut-off Date

The asset inventory for pylon locations was conducted by the valuation firm between 03–29 September 2025, and for the permanent easement between 03–29 October 2025. The valuation reports were prepared on 03 November 2025. However, the majority of PAPs were unaware of this exercise, and the affected areas of the project (pylon locations, permanent easement route, etc.) are not sufficiently informed.

Azerenerji has stated that a micro-routing study will be conducted, after which the finalized pylon locations will be marked in the field. 15 May 2026, this date has been accepted as the cut-off date.

7.4. Entitlement Matrix

Table 7-1. Entitlement Matrix

Loss	Impact	Displaced People	Entitlement
Time limited loss of agricultural land – land is transferred to Azerenerji	Agricultural Land Loss on Private Parcels Due to Pylon Locations (Average 246 m² per Pylon Location)	Owner – Title Holders – 1,114 persons – 45,868 m² Owner – Businesses – 6 businesses – 21,220 m² Owner – Private – Under court or disputed – 20 parcels – 2,097 m² Owner – Private – Unknown Owner – 21 parcels – 3,400 m²	Cash compensation at replacement cost based on market rate free of taxes, registration costs and transfer charges. In accordance with the Law of the Republic of Azerbaijan on the "Acquisition of Lands for State Needs", an additional compensation of 20% is calculated. The minimum compensation amount for the project has been set at 100.0 AZN An additional 10% payment if an Azerenerji transmission line previously passed through the land of persons affected by the pylon locations. Unaffected portions of a plot will also be compensated if they become unusable after acquisition of affected portion. Completion of all legal payments according to Consent Forms prior to land entry Entering the land through a Land Entry Protocol (LEP) that confirms all compensation for assets have been paid Providing information about the grievance mechanism Payment of land compensation to individuals who can legally document ownership in cases of litigated lands, lands likely to be subject to litigation, or lands whose legal ownership is officially unknown. In cases where the owner is unknown, compensation will be deposited in escrow account to be accessed once the ownership dispute is resolved.

	Crop Loss of Formal and Informal Users on Private, Municipal, and State Lands	Landowner Title Holders and Their Users – 45,868 m² Formal Tenants – 22 persons – 14,704 m² Formal Tenant Businesses – 4 businesses – 20,902 m² Formal Tenant Businesses on State and Municipal Lands – 5 businesses – 20,902 m² Owner – Private – Court/disputed or Potential dispute– 2,097 m² Owner – Private – Unknown Owner – Informal Users – 3,400 m²	Delaying construction until after harvest of crops where possible. Where delaying construction until after harvest is not feasible, cash compensation equivalent to the full market value of the lost harvest shall be provided. The payment will be made to both landowners, informal users and tenants in accordance with their respective sharecropping agreements.
Land registered under easement but remaining with original landholders	Land has easement registered in name of Azerenerji and potential for loss of rights due to restriction	Holder of land under easement The total number of owners and shareholders on private parcels is 1,785 persons. The number of formal tenants is 34. A total of 11 businesses are located on private, state, and municipal lands.	Rights to land are registered as an easement and notarized in agreement with the land holder Where no rights are diminished or impacted then compensation would not be due. This would apply to land gazetted as agricultural under which no current of future development rights of use is impacted

Temporary loss of land	Disturbances during construction or installation of transmission lines	All PAPs including non-titled users and squatters	Affected land/communal infrastructure will be restored or reconstructed to pre-project conditions Entering the land through a Land Entry Protocol (LEP) and paying compensation for assets on the land Restoring the land to its original condition and exiting the land through a Land Exit Protocol (LExP) Providing information about the grievance mechanism
Standing crops	Removal of crops from pylon footprint/foundation area or other permanent/temporary land take	All PAPs (including non-titled land users)	Waiting for the crop harvest where possible Cash compensation equivalent to the gross income from the crop computed as the market value of the total annual produce from affected land. To be paid both to landowners and tenants based on their specific sharecropping agreements.
Trees	Trees removed from safety corridor or pylon footprint or other land take or restriction areas	All PAPs (including non-titled land users) – Estimated 4 persons, 38 trees (20 fruit trees, 18 forest trees) In addition, any other trees affected, for all PAPs (including non-titled land users)	Cash compensation shall reflect income replacement. Fruit trees will be valued at market value of 1 year's produce X number of years needed to grow a tree of the same productivity.
Non-residential buildings and structures	Full/partial loss of structures located within safety corridor or structures requested for purchase by their owners due to proximity to the security boundary	Owners (regardless if building registered or not or whether owns land or not) - Approximately 3 persons – 6 structures with a total area of 1,201 m²	Cash compensation at replacement rate for affected structure/fixed assets without depreciation and transaction cost Free salvage of materials, depreciation and transaction costs For partial impacts, full cash assistance to restore remaining structure

Vulnerability Assistance	Any impact affecting vulnerable people	108 households identified as affected by pylon locations and containing vulnerable individuals	One month minimum salary in addition to compensation from loss of assets
Community assets or resources	Loss or damage to public infrastructure or natural resources	All PAPs	Rehabilitation/replacement of affected structures/utilities (i.e. footbridges, roads, grazing lands, etc.)

8. Valuation and Summary of Final Census Results

The asset inventory and valuation study reports for the parcels directly affected by land acquisition and easement rights were completed between 11 August and 3 November 2025. Details regarding the valuation methodology and procedures applied are presented below.

Compensation for land loss is calculated according to Article 55 and 58 of the Azerbaijan Land Acquisition Law. This law requires that the amount of compensation for acquired land shall be calculated by determination of market price of acquired land.

8.1. Valuation

8.1.1. Methodology for Pylon Locations

Valuation Methodology for Pylon Locations

1. Overview of Valuation Approaches

The valuation of land required for pylon locations has been undertaken in accordance with applicable national legislation and international good practice. The following standard valuation approaches were considered:

Cost Approach: This approach estimates the value of an asset based on the cost required to replace or reproduce it, taking into account depreciation. As land is a natural resource and not a man-made asset, this approach is not applicable for land valuation.

Income Approach: This approach determines value based on the expected income generated by the asset. While relevant for income-generating assets (e.g., crops and trees), it is not considered appropriate as the primary method for valuing land in this context.

Comparative Sales Approach: This approach estimates the value of land by comparing it with similar properties for which recent transaction prices are available. This is the most appropriate and widely accepted method for land valuation and has been adopted for this Project.

2. Application of the Comparative Sales Approach

The valuation of land parcels required for pylon locations has been carried out using the comparative (market) sales approach, which reflects the price that land would achieve in an open and competitive market. Under this method, the value of the subject land parcel is determined based on the analysis of recent sales transactions of comparable properties ("analogues") within the same or similar geographic areas.

The valuation process included the following steps:

i. Market Data Collection:

Collection of data on recent land transactions and sales offers from the local real estate market, including information obtained from online sources and market participants.

ii. Selection of Comparable Properties:

Identification of at least three comparable land transactions for each valuation case, based on similarity in location, size, land use, and market conditions.

iii. Verification of Data:

Verification of transaction details, including sale prices, physical characteristics, legal status, and transaction conditions.

iv. Comparative Analysis:

Comparison of each selected comparable property with the subject land parcel, taking into account key factors such as:

- Location and accessibility
- Land use and designation
- Parcel size and configuration
- Physical and environmental characteristics
- Market conditions and timing of sale

v. Adjustments:

Adjustments were applied to account for differences between comparable properties and the subject parcel.

Negative adjustments were applied where the comparable property had superior characteristics

Positive adjustments were applied where the comparable property had inferior characteristics

Adjustment rates were determined based on professional judgment, market analysis, and the relative importance of each comparison factor.

vi. Determination of Market Value:

Adjusted values of comparable properties were reconciled to determine the final market value of the subject land parcel.

3. Valuation Process

The valuation exercise was conducted through a structured process, including:

- Measurement and verification of the physical and legal characteristics of each land parcel
- Analysis of the relevant market segment
- Application of the comparative sales approach
- Calculation and reconciliation of adjusted values
- Determination of final market value
- Preparation of valuation reports

4. Key Valuation Parameters

- The following factors were considered in determining land values:
- Ownership status and legal documentation
- Land use designation and current use
- Location and regional characteristics
- Parcel size, shape, and layout
- Accessibility, including proximity to roads and transport
- Availability of infrastructure and utilities
- Market demand and supply conditions
- Commercial potential
- Environmental conditions
- Physical condition and any form of depreciation

5. Compliance with National Legislation

In accordance with the Law of the Republic of Azerbaijan on Land Acquisition for State Needs, an additional 20% premium has been applied to the assessed market value of land parcels.

In addition, a minimum compensation threshold of 100 AZN has been established for the Project.

6. Alignment with ESS5 Principles

The valuation methodology ensures that compensation for land acquisition is based on market value plus applicable legal premiums, contributing to compensation at full replacement cost, as required under World Bank ESS5. Where necessary, additional measures (e.g., livelihood restoration support) are applied to ensure that affected persons are not economically disadvantaged. Depreciation values will not reflected in compensation payments.

Table 8-1 Calculation of Compensation

A. Object evaluated	B. Right owner	C. Rights evaluated	D. Area, m^2	E. Value, AZN	F. Additional compensation of 20% is calculated (Minimum 100. AZN)	G. Final market value after compensation is calculated
Land parcel	The State/Private, Municipality, etc	Market value	X m2	=C*D	E*20% or minimum +100 AZN*	=E+F

Source: Azerenerji Census Database, 2026

8.1.2. Methodology for Right of Way

The valuation of easement-related impacts has been carried out in accordance with the Law of the Republic of Azerbaijan on Valuation Activities, the Law of the Republic of Azerbaijan on Land Acquisition for State Needs, as well as applicable national and international valuation standards. The assessment has been undertaken under generally accepted valuation assumptions, including conditions related to market variability, data availability, and methodological limitations.

The valuation company assessed the potential impact of the 90-meter-wide right-of-way (ROW), extending 45 meters on each side of the centerline, associated with the 235 km, 500 kV “Navahi Substation – Azerbaijan TPP” overhead transmission line, which is being developed under the World Bank–financed AZURE Project. The assessment covered land parcels located along the full approved alignment of the transmission line across the administrative regions of Hajigabul, Aghsu, Shamakhi, Ismayilli, Goychay, Aghdash, Yevlakh, and Mingachevir. The analysis considered land parcels of different use types, including agricultural, pasture, residential, and industrial land, taking into account both current land use and observed market activity.

The primary objective of the valuation was to determine whether the establishment of the easement corridor would result in a reduction in the market value of affected land parcels, including privately, state-, and municipally owned lands. This assessment specifically excludes land acquisition associated with pylon footprints, which has been evaluated separately.

The analysis indicates that the establishment of an easement corridor for overhead transmission lines imposes certain restrictions on land use, such as limitations on construction activities and restrictions on planting tall trees. However, these restrictions do not alter land ownership rights or the legal status of the land. Agricultural use, including crop production, grazing, and horticultural activities, can generally continue within the easement area in compliance with these restrictions.

A review of market data, including comparable properties located in proximity to similar energy infrastructure such as 330–500 kV transmission lines, shows that the presence of such infrastructure does not result in a measurable or systematic decrease in land market values. While minor localized perceptions may exist, these are not reflected in transaction prices observed in the market.

Accordingly, it is concluded that the introduction of the ROW and easement corridor is not expected to result in a reduction in the overall market value of affected land parcels. Instead, the impacts are limited to restrictions on land use and potential temporary or permanent losses of income and assets. The Expert Report on Easement - 500 kV Navahi OHL 235 km, prepared on this subject, is provided in Appendix 1.13. According to the report:

- The easement corridor of a OHL only imposes certain restrictions (for example, no construction work, no planting of tall trees, etc.), but does not change the legal status and/or the form of ownership of a land;

- The use of land for agricultural purposes (grain growing, pasture, gardening, etc.) may continue in accordance with the easement requirements;

- Market analysis shows that there is no significant negative impact on the market sales prices of land parcels located near similar energy infrastructure facilities (330–500 kV overhead transmission lines);

- The compensation rights of landowners during the application of easement are provided for by the Law of the Republic of Azerbaijan "On Acquisition of Lands for State Needs";

- Accordingly, no decrease in the overall market value of lands is expected due to the introduction of ROW or easement corridor.

In line with the Law of the Republic of Azerbaijan on Land Acquisition for State Needs and the requirements of World Bank ESS5, compensation is therefore focused on actual economic losses arising from the Project. These include crop losses, impacts on trees and other assets, and temporary disturbances during construction, rather than compensation for any assumed reduction in underlying land value.

8.1.3. Trees, Crops and Non-Residential Structures

The Decision of the Cabinet of Ministers of the Republic of Azerbaijan No. 261 specifies the Grid Security Zone (GSZ) for OHTLs. According to this law, a GSZ buffer of 30 metres from each outermost conductor. The cultivation of trees is amongst the economic activities forbidden within the GSZ. In line with compensation regulations, the amount of compensation payable for the permanent removal of trees and associate loss of agricultural income is calculated as:

- Gross annual income from tree harvests within cultivated area x Time (years) for growing trees to the maturity and current productivity.

Agricultural crop losses will be calculated based on crop type, yield, and market selling price.

Loss of or damage to building structures, fences, walls and other impacted structures will be compensated based on the replacement value. Cash compensation will be available as a preferred option for structures. The applicable replacement costs for construction materials, and associated labour costs needed to build replacement structures, will be used to calculate the values. Replacement values will be based on:

- Average replacement costs of different types of buildings and structures based on information on the quantity and type of materials used for construction (e.g. bricks, decorated aluminium roofs, doors);
- Prices of these items collected in local district market;
- Costs for the transportation and delivery of these items to be acquired or replacement land or building site; and
- Estimates of construction cost of new buildings including the labour required

Compensation for loss of structures has been calculated by using the following approach:

- The total cost of the affected structures was calculated using the following formula:
  - T=(S×Mt)+(S×Lt)x % of Actual wear of structure

Where:

- T represents the total cost of the affected asset.
- S is the size of the impacted asset.
- Mt is the cost of materials per unit size of the affected asset.
- Lt is the labor cost per unit size of the affected asset.

While calculating the final compensation for structures %of actual wear of structures was omitted to ensure the following the requirement of "full replacement costs".

8.2. Summary of Final Census Results

There are no structures impacted by permanent land acquisition in pylon areas. Similarly during asset census, majority of the land was not under cultivation due to seasonality. Below census data illustrates expected impact in easement parcels. The list of affected parcels and the census results are provided in the appendix 1.12.

8.2.1. Trees

The total number of affected trees is 38. The users of 13 of these trees have been identified, while the others are unknown. The total determined value is 1,900 AZN, with an average of 50 AZN per tree.

Table 8-2 Valuation of Trees

No	Pylon No	Region	Village - Settlement	Type of ownership	Formal/informal user (name)	Impacted Tree Type	Number of trees	Vaule of the trees, AZN	Tree/AZN
1	7	Mingachevir	Mingachevir	Municipality	Not Identified	Fruit tree	20	1,000	50
2	59	Yevlakh	Havarlı	Municipality	Tenant	Trees	10	500	50
3	61	Yevlakh	Havarlı	Private	Deed of ownership - 901013021783	Trees	3	150	50
4	68	Yevlakh	Havarlı	Private	State aktı - JN 398 Unknown	Trees	5	250	50
Total							38	1,900	50

Source: Azerenerji Census Database, 2026

8.2.2. Crops

According to census crops were found to be planted at only three of the pylon locations, specifically corn and grapevines. No users were identified for any of them, and a total value of 819 AZN was calculated. However, verification field confirmed that all parcels are cultivated (wheat/barley) and necessary compensation is included in the RAP budget.

Table 8-3 Valuation of Crops

No	Pylon No	Region	Village - Settlement	Type of ownership	Formal/informal user (name)	Impacted Crop Type	Value of the crops, AZN
1	11	Mingachevir	Mingachevir	Municipality	Not identified	Corn	100
2	136	Aghdash	Winter grazing area and Ərəbocağı village	State/Municipality	Not identified	Corn	460
3	213	Goychay	Mirzəhüseynli	Municipality	Not identified	Grapes	259
Total							819

Source: Azerenerji Census Database, 2026

8.2.3. Structures

A total of six non-residential agricultural structures have been identified as potentially affected by the easement. These structures have a combined area of 1,201 m². The owners and users of three of these structures could not be identified during the asset inventory process.

Although these structures are not located directly within the easement corridor, they are situated in close proximity to its boundary and may therefore be subject to indirect impacts. The total estimated compensation value for these structures is 81,500 AZN.

Table 8-4 Valuation of Structures

No	Pylon No	Region	Village - Settlement	Type of ownership	Formal/informal user (name)	Impacted Structure Type	Number of Structure	Area of Structure	Vale of the structures, AZN
1	31	Yevlakh	Tanrıqulular	Private	Legal	non-residential (farm) building	2	704	39,000
2	60	Yevlakh	Havarlı	Municipality/Private	Tenant for Yevlakh region Executive Power	non-residential (farm) building	1	233	19,000
3	73	Yevlakh	8 № Winter grazing area	State	Not identified	non-residential (farm) building	3	264	23,500
Total							6	1,201	81,500

Source: Azerenerji Census Database, 2026

9. Consultation Participation and Grievance Mechanism

9.1. Stakeholder Engagement, Consultation and Information Studies

Within the scope of the Project, PAPs are recognized as key stakeholders, and stakeholder engagement processes are guided by the principles of transparency, equity, and inclusiveness. The active participation of affected households, communities, and relevant local authorities is critical to the successful implementation of land acquisition and resettlement activities. Accordingly, Azerenerji, Supervision Engineer and the CC will implement an inclusive stakeholder engagement program designed to ensure the meaningful participation of directly affected stakeholders and local institutions throughout the resettlement process.

An SEP for the Project was published in January 2025 and serves as the primary framework guiding all stakeholder engagement activities throughout the Project lifecycle. The SEP is being updated to reflect the RAP. All information disclosure, consultation, and feedback processes under the RAP will be implemented in alignment with this plan, following the engagement methods, communication channels, and participation principles defined therein. This approach aims to ensure systematic, transparent, and sustainable communication with stakeholders during land acquisition and resettlement processes. Feedback obtained during RAP implementation will be monitored within the SEP framework, and the plan may be updated as necessary to enhance the effectiveness of stakeholder engagement.

The outcomes of consultation activities will be systematically documented and incorporated into decision-making processes. Stakeholder engagement activities will be regularly monitored and reported through progress reports. Particular attention will be given to capturing stakeholder views on key aspects related to compensation and economic displacement, including:

- Compensation options, such as cash versus in-kind assistance,
- Potential micro-routing options, where applicable,
- Waiting for harvesting seasons to avoid damage to crops
- Compensation and valuation methods based on full replacement cost,
- Identification of vulnerable or disadvantaged groups.

This approach is intended to promote active and meaningful stakeholder participation, minimize social risks, and ensure that the resettlement process is implemented in a fair, transparent, and sustainable manner.

During the ESIA phase, Azerenerji conducted stakeholder engagement activities from 30 September to 2 October 2024 in 34 communities affected by the project, covering 7 regions: Hajigabul, Aghsu, Aghdash, Shamakhi, Goychay, Ismayilli and 1 town: Mingachevir. These meetings were attended by 373 stakeholders (95 female, 278 male).

3 field studies were conducted within the scope of the RAP.

The survey on pylon locations was conducted by Azerenerji's survey team between October 7, 2025, and October 20, 2025. Within the scope of the study, a total of 45 settlements in 8 regions were visited, and interviews were conducted with 238 people.

The survey for easement areas was conducted by Azerenerji's survey team between January 12, 2026, and January 23, 2026. Within this scope, 45 settlements in 6 regions were visited, and a total of 358 people were interviewed.

The verification fieldwork was carried out by SRM Consulting between February 15-20, 2026. As a result of the study, 27 settlements in 7 regions were visited; interviews were conducted with 29 municipal representatives, a total of 125 people whose land was affected (5 of whom were women), 3 formal tenants, 1 informal tenant, and 1 affected business.

As part of the Preliminary RAP Disclosure, physical disclosure activities will be conducted in 8 rayons.

9.2. Field Study Observations and Findings

During the interviews conducted in the 3 field work carried out within the scope of RAP, PAPs were informed on various topics and asked a series of questions, including basic information sources, parties they trust in terms of information sharing, use of the grievance and request mechanism, and other information related to the project.

In the surveys conducted as part of the fieldwork, participants were asked, “Are you aware of the project?” 74% of participants stated that they were not aware of the project, while 26% stated that they were aware of the project. This situation highlights the need to expand the scope of awareness-raising activities and extend them to include all stakeholders.

Table 9-1 Project Awareness

Region	Yes	No	Total
Aghdash	22	105	127
Aghsu	38	131	169
Goychay	50	90	140
Hajigabul	4	25	29
İsmayilli	0	3	3
Mingachevir	0	2	2
Shamakhi	25	48	73
Yevlakh	16	30	46
Total	**155**	**434**	**589**
%	**26%**	**74%**	**100%**

Source: Household Surveys, 2026

In surveys conducted with businesses, business representatives were asked whether they were aware of the project. Of the 9 businesses interviewed, 5 stated that they were aware of the project, while 4 stated that they were not aware of it.

Table 9-2 Project Awareness of Businesses

Name of Business	Yes	No	Total
Agrofront	1		1
Üçqovaq fruit LLC	1		1
Türyançay LLC		1	1
Agrovest LLC		1	1
Agro Dairy LLC	1		1
Goychay Agro LLC		1	1
Aqro-Azərinvest		1	1
A+Zetta LLC	1		1
Kraun Kor LLC	1		1
Total	**5**	**4**	**9**
%	**56%**	**44%**	**100%**

Source: Workplace Surveys, 2026

According to the surveys, participants stated that they were most informed about the project through the municipality and region director (76%). Other sources of information were neighbours (13%), Azer Energy (9%) and the Region directors (5%). This shows that local governments are the most effective actors in the information process.

Table 9-3 Information Channel

Region	Azerenerji	Neighbour	Municipality+ Region director	Other	Total
Aghdash	1	3	17		21
Aghsu		8	26	3	37
Goychay	5	9	35		49
Hajigabul	2		2		4
İsmayilli					
Mingachevir					
Shamakhi	5		19		24
Yevlakh	1		14		15
Total	**14**	**20**	**113**	**3**	**150**
%	**9%**	**13%**	**76%**	**2%**	**100%**

Source: Household Surveys, 2026

According to the results of the survey conducted with businesses, the channels through which information about the project is obtained predominantly from Municipality or Region directors. 80% of the participating businesses stated that they obtained information through the municipality or region, 20% through district executive authorities.

Table 9-4 Information Channel for Businesses

Name of Business	Municipality+ Region	District Executive Authority	Total
Agrofront	1		1
Üçqovaq fruit LLC	1		1
Türyançay LLC			
Agrovest LLC			
Agro Dairy LLC		1	1
Goychay Agro LLC			
Aqro-Azərinvest			
A+Zetta LLC	1		1
Kraun Kor LLC	**1**		1
Total	**4**	1	5
%	**80%**	**20%**	**100%**

Source: Workplace Surveys, 2026

During fieldwork, participants were asked about the topics they wanted to learn more about regarding the project. The topic that participants most wanted information about was the start and finish dates of construction, accounting for 23% of total requests. This was followed by the route of the line (17%) and impacts on the land (17%). Expropriation (16%) and impacts on livelihoods (16%) are also important issues for participants. On the other hand, employment (4%), impacts on livestock (6%), and impacts on trees (2%) are considered less important by participants.

Table 9-5 Information Requested Topics

Region	Expropriation	Construction start-finish date	Line route	Employment	Impact on the land	Impact on livestock	Impact on livelihoods	Impact on trees	Total
Aghdash	76	83	68	11	56	25	49	18	386
Aghsu	77	128	66	6	82	29	97	1	486
Goychay	44	65	53	17	47	7	57	8	298
Hajigabul	21	23	29	8	19	5	11		116
İsmayilli	3	2	1		1	3			10
Mingachevir	2	2	2			2			8
Shamakhi	27	43	35	18	44	12	26	1	206
Yevlakh	16	31	15	4	23	7	18		114
Total	**266**	**377**	**269**	**64**	**272**	**90**	**258**	**28**	**1624**
%	**16%**	**23%**	**17%**	**4%**	**17%**	**6%**	**16%**	**2%**	**100**

Source: Household Surveys, 2026

In surveys conducted with businesses, they were asked what information they wanted to know about the project. Participants most wanted to know about construction measures to be taken (36%) and construction start and finish dates (36%). The expropriation process was another important topic, followed by 12%.

Table 9-6 Topics on Which Businesses Request Information

Name of Business	Construction measures to be taken	Start and finish dates of construction	Expropriation process	Effects of traffic, dust and noise during construction	Vehicle and/or pedestrian access to the workplace	Impacts on livelihoods and measures to be taken	Expropriation compensation	Total
Agrofront	1	1		1	1			4
Üçqovaq fruit LLC	1	1						2
Türyançay LLC	1	1	1					3
Agrovest LLC	1	1	1					3
Agro Dairy LLC	1	1	1				1	4
Goychay Agro LLC	1	1						2
Aqro-Azərinvest	1	1						2
A+Zetta LLC	1	1						2
Kraun Kor LLC	1	1				1		3
Total	**9**	**9**	**3**	**1**	**1**	**1**	**1**	**25**
%	**36%**	**36%**	**12%**	**4%**	**4%**	**4%**	**4%**	**100%**

Source: Workplace Information, 2026

During the fieldwork, participants were asked which institution they would contact if they had any grievances regarding the project. 41% of participants stated they would contact Azerenerji, 37% said they would contact the municipality, and 12% said they would contact the region directors.

Table 9-7 Institutions to Contact Regarding Project Grievances

No	Institution	Number of Response	%
1	Azerenerji	246	**41%**
2	Municipality	225	**37%**
3	Region director	73	**12%**
4	Presidency	10	**2%**
5	District Governorship	16	**3%**
6	Helpline	17	**3%**
7	Ministry	6	**0,9%**
8	Local authorities	2	**0,3%**
9	Court	7	**1,0%**
Total		602	**100%**

Source: Household Surveys, 2026

As part of the verification study conducted by SRM Consulting, consultations were held with PAPs across the Project area. Overall, PAPs did not express direct grievances or strong opposition to the Project. However, concerns were raised regarding **cumulative impacts**, particularly in relation to previous infrastructure projects (e.g., water channels and transmission lines) for which compensation payments had reportedly not been fully implemented. This has contributed to a degree of uncertainty and skepticism regarding the current Project.

During the consultations, PAPs primarily raised questions related to **land use, compensation, and construction practices**. Key concerns included whether agricultural activities would be allowed to continue within the right-of-way, how compensation would be calculated, whether construction could commence prior to compensation payments, and whether damages caused during construction would be compensated. PAPs also sought clarification on whether land would be restored to its original condition following construction, whether compensation would be provided for easement areas, and whether the Project could result in land fragmentation.

In addition to these concerns, PAPs expressed several expectations and requests. These included the restoration of land to its original condition following construction, scheduling of works after the harvest period to avoid impacts on agricultural production, and the requirement that compensation be paid prior to land entry if construction cannot be delayed. Participants also emphasized the importance of using **up-to-date market values** in valuation processes and requested clearer communication of the Project route through maps and visual materials. Furthermore, PAPs indicated a preference for **local employment opportunities** during Project implementation.

Targeted consultations were also conducted with specific stakeholders engaged in agricultural production. A meeting with Agrofront, a company based in Goychay specializing in pomegranate cultivation, highlighted concerns regarding potential impacts on orchards. The company requested that pylon locations be clearly identified and shared in advance, and that route adjustments be considered to minimize damage to productive trees.

Similarly, a consultation with an affected land user (Z.M.) in Gəgəli village, Aghsu Region, identified risks related to the cultivation of **maralfalfa (Napier grass)**, a high-yield perennial fodder crop grown on approximately 12,000 m². It was noted that the presence of transmission lines could require early harvesting before the crop reaches its optimal height, potentially resulting in income loss. The land user requested that pylon locations be adjusted to avoid such impacts and confirmed that this request had been formally submitted to Azerenerji. His official letter is presented as Appendix 1.7.

Overall, the consultations indicate that while general acceptance of the Project exists, there are **clear expectations regarding compensation, timing of construction, and avoidance of impacts on high-value agricultural activities**, particularly for perennial crops and orchard-based livelihoods.

9.3. Disclosure

9.3.1. Disclosure Process

This RAP is prepared by Azerenerji, and will be submitted to the World Bank for final review and approval. The draft RAP was submitted to the World Bank, and received approval. Upon obtaining clearance from the World Bank, the draft RAP was disclosed in Azerbaijani to affected communities. In addition, a project information brochure, summarizing eligibility criteria, compensation entitlements, and key provisions, were distributed to all PAPs. The English versions of the RAP and associated materials will be disclosed on the World Bank's website and Azerenerji website. Azerenerji has prepared an informational brochure to inform its stakeholders, which is provided in the appendix 1.8.

Following disclosure, Azerenerji organized consultation meetings in each of the relevant regions with PAPs, local authorities, non-governmental organizations, and other interested stakeholders. These consultations aimed to inform participants about the RAP, gather feedback, and address questions and concerns. Minutes of all consultation meetings were recorded and incorporated into this final RAP. Based on the feedback received, the draft RAP was revised as necessary and is resubmitted to the World Bank for final approval.

Particular attention was given to ensuring inclusive participation, especially of women, who have been underrepresented in previous project consultations. Targeted outreach and dedicated information-sharing sessions was conducted to ensure that women are able to participate meaningfully and raise project-related concerns.

Upon completion of the consultation and revision process, the final RAP will be disclosed in Azerbaijani at the local level and on Azerenerji's website, and in English on the World Bank's website.

The RAP preliminary disclosure plan is set forth below:

Preliminary RAP Disclosure Plan and Schedule

Stage 1 - Translation of the RAP into Azerbaijani and publishing in AzerEnergy's web page – approximately 15 days

Stage 2 - Physical disclosure of the RAP in the affected regions:

Days	Baku Time	City/Region/Village	Venue
Day 1	14:30	Mingachevir city	Regional Electric Network Office
Day 2	11:00	Yevlakh region	Regional Executive Power Office
	15:00	Aghdash region	Regional Executive Power Office
Day 3	11:00	Goychay region	Regional Executive Power Office
	15:00	Aghsu region	Regional Executive Power Office
Day 4	11:00	Shamakhi region	Village Municipalities
Day 5	11:00	Ismayilli region	Village Municipalities
	13:00	Hajigabul region	Regional Executive Power Office

Stage 3 – Finalization and translation of the Minutes of the Disclosure Meetings will take additional 2 two working days.

The disclosure process will be completed within a total of 22 working days.

9.3.2. Disclosure Summary

Following the clearance by the World Bank, the draft RAP has been disclosed in Azerbaijani and English on Azerenerji website (https://azerenerji.gov.az/azureproject), and in English on WB website in April 2026.

The aim of the disclosure meetings was to introduce the Resettlement Action Plan (RAP) to affected communities, inform them about the scale and nature of the anticipated permanent and temporary land acquisition impacts, and present the proposed mitigation and compensation measures. The meetings also announced and explained the cut-off date of May 15, 2026, introduced the RAP-related Grievance Redress Mechanism (GRM), responded to questions concerning the RAP and anticipated social impacts, and collected comments and feedback for consideration and incorporation into the final RAP.

Each consultation meeting followed a consistent format: opening remarks by the local Executive Power representative, RAP presentation by the Azerenerji PIU, a Q&A session, and distribution of project information brochures. Participant sign-in sheets, photographs, and meeting minutes were prepared for each location. 188 PAPs attended 7 disclosure meetings held between April 27 and May 1, 2026 in Mingachevir, Yevlakh, Agdash, Goychay, Aghsu, Shamakhi, and Hajigabul.

Cross cutting themes and key questions raised by the PAPs were as follows:

i. **Compensation and Valuation:** The adequacy of compensation was the most frequently raised concern across all seven consultation locations. Project-affected persons (PAPs) questioned whether the market-value assessments fully reflected their investments in the affected land and trees. In response, the Project Implementation Unit (PIU) consistently explained that the independent valuation company, Real Price, had assessed all affected land parcels based on notarised market transactions recorded during the preceding two years. The PIU further explained that additional allowances would be provided, including 20% for general project impacts, 10% for cumulative impacts where land is crossed for a second time, and vulnerability assistance equivalent to at least one month of the minimum wage, approximately AZN 400. All compensation payments would be made by bank transfer before the Project obtained access to the affected land or commenced construction activities.

ii. **Right-of-Way and Land-Use Restrictions:** Many participants requested clarification regarding the implications of the 90-metre right-of-way (ROW) for the continued use of their land. The PIU clarified that agricultural activities could continue within the ROW, subject to restrictions on planting trees expected to exceed 8–10 metres in height, in accordance with Cabinet of Ministers Decision No. 261, dated May 16, 2024. Only the land occupied by the permanent pylon footprints, each covering approximately 100–300 square metres, would be subject to a permanent easement. The remainder of the ROW would not be compensated separately because the land could continue to be used for agricultural purposes, subject to the applicable restrictions.

iii. **Grievance Redress Mechanism:** The project-level Grievance Redress Mechanism (GRM) was presented during all disclosure meetings. A brochure summarising the Project, the cut-off date, the GRM procedures, and the contact details of the designated PIU representative was distributed to all participants. The RAP and information on the GRM were also disclosed on the official website of Azerenerji JSC. The construction-phase GRM would become operational upon commencement of the works, while the Supervision Engineer, MRC, would be responsible for monitoring the Contractor's compliance with the applicable grievance-management requirements.

iv. **Land Ownership and Documentation Issues:** Several PAPs raised concerns regarding undocumented or informal land-use arrangements, including the cultivation of land registered in the names of deceased relatives and the use of land by informal leaseholders. The PIU explained that legal ownership would be verified through cadastral records. Where ownership remained unresolved, compensation would be allocated in the name of the registered legal owner, and affected persons would be required to formalise inheritance or ownership rights through the relevant judicial procedures. Leaseholders would be compensated for affected crops and livelihood losses, while compensation for the land itself would be paid to the legal owner or the relevant municipality, as applicable.

v. **Construction Impacts and Contractor Obligations:** Participants at several meetings raised concerns regarding potential damage caused by construction machinery and inadequate restoration of affected land, frequently referring to negative experiences with other state infrastructure projects. The PIU emphasised that World Bank-financed projects were subject to more stringent environmental and social compliance requirements. Land Entry and Exit Protocols would be signed with each PAP to document the condition of the land before access and following completion of the works. The Contractor would be responsible for repairing all construction-related damage and fully restoring affected land. Where feasible, PAPs would be allowed to harvest standing crops before construction commenced; where harvesting was not possible, compensation would be provided for the resulting crop losses.

Following the informational meetings, no circumstances have arisen that would require changes to the RAP's entitlements matrix.

Table 9-8. Summary of Disclosure Meetings

Date	Location	Venue	Participants (Total)	Key Issues Raised	Main Concerns & Responses	Stakeholders Present
April 27, 2026 15:00	Mingachevir	Mingachevir Regional Electrical Network (RENO)	36	• Land valuation methodology • Compensation differences between regional/land categories • State land ownership and unclear boundaries in some areas • Past project impacts • Alternative alignment options considered	• PAPs expressed concern about discrepancies in assessed land values — Azerenerji addressed this issue with independent valuation at market prices • Concern about land/road restoration after construction — GRM established	PAPs, municipality heads, local executive power representatives, regional utility offices (power, gas, water/irrigation)
April 28, 2026 11:00	Yevlakh	Yevlakh Region Executive Power Office	31	• Cut-off date (May 15, 2026): crops/activities planned post-cut-off and compensation eligibility • Alignment adjustment to avoid AZETTO farm area • Adequacy of temporary land use compensation (100 AZN top-up questioned)	• Farmer dissatisfied with compensation level — PIU explained market value basis with 20% and 10% cumulative allowances • Concern about past OHL excavation damage — Azerenerji committed to compensating crop	PAPs, municipality heads, local executive power representatives, regional utility offices (power, gas, water/irrigation)

Date	Location	Venue	Participants (Total)	Key Issues Raised	Main Concerns & Responses	Stakeholders Present
				• Compensation for construction-phase damage	damage during OHL operation • Alignment adjustment for farm areas considered feasible where possible	
April 28, 2026 15:00	Agdash	Aghdash Region Executive Power Office	29	• ROW width clarification (90 m total vs. 60 m/45 m working corridor) • Tree compensation (fruit trees: maturity period and annual yield considered) • Compensation for land under existing/prior OHL (cumulative 10% additional) • Land use agreement duration (up to 49 years) • Compensation payment modality (bank transfer before works commence) • Pivot irrigation infrastructure — alignment adjustments to avoid • Access road usage during construction	• Villager lost trees for prior to Azerishiq project; concerned remaining trees insufficiently compensated — micro adjustments to avoid dense tree areas confirmed • Concern about adequacy of compensation - payments based on individual impact assessments, vulnerability allowance available • State land lease (99-year) arrangements — land use envisaged up to 49 years with formal agreement	PAPs, municipality heads, local executive power representatives, regional utility offices (power, gas, water/irrigation)

Date	Location	Venue	Participants (Total)	Key Issues Raised	Main Concerns & Responses	Stakeholders Present
				• Crop harvesting schedule vs. construction start	• Land entry and exit protocols to document all collateral damage; Contractor liable for restoration	
April 29, 2026 11:00	Goychay	Goychay Region Executive Power Office	33	• Compensation equity — market value basis; land near roads may have higher values • Leased land: separate compensation to landowner (land) vs. leaseholder (crops) • Construction machinery damage to land — Contractor responsibility with mandatory restoration • Indicative pylon compensation ~876 AZN (cumulative, site-specific) • Disability/vulnerability allowance (min. 400 AZN equivalent one month minimum wage)	• Concern about construction vehicle damage based on prior experience — stricter requirements under World Bank-financed project; Supervision Engineer oversight confirmed • Persons with disabilities to receive additional allowance under RAP vulnerability provisions • Land-to-land compensation available if vacant parcels exist	PAPs, municipality heads, local executive power representatives, regional utility offices (power, gas, water/irrigation)
April 29, 2026 15:00	Aghsu	Aghsu Regional Electricity Network Office	18 total	• ROW implications for remaining cultivable area (trees up to 8–10 m permitted under Cabinet	• PAP with 59 sq.m plot and veteran son concerned about prior unfulfilled	PAPs, municipality heads, local executive power representatives, regional

Date	Location	Venue	Participants (Total)	Key Issues Raised	Main Concerns & Responses	Stakeholders Present
				Decision No. 261, 16 May 2024) • World Bank oversight ensuring no land access without full compensation • Compensation rate variation by land category • Land Entry and Exit Protocols for documenting construction damage • Prior unmet compensation commitments (previous unrelated projects)	compensation — World Bank strict requirements and bank-transfer-first policy emphasized • Concern that cultivation would be significantly restricted — clarified that most ROW remains cultivable except pylon footprints • Skepticism from PAPs based on past experience with other projects — GRM mechanism highlighted	utility offices (power, gas, water/irrigation)
April 30, 2026 11:00	Shamakhi	Shamakhi Region, Ovchulu Village Executive Power Office	20	• ROW width (90 m, measured from center line) • Azerenerji vs. Contractor compensation responsibilities • Additional 10% compensation for cumulative OHL impact (second crossing) • Compensation for land with deceased owners —	• PAP with land in deceased parents' name — inheritance procedure via court to access deposited compensation • Participant wishing to continue cultivation — permitted with Contractor coordination if works not yet commenced in their area	PAPs, municipality heads, local executive power representatives, regional utility offices (power, gas, water/irrigation)

Date	Location	Venue	Participants (Total)	Key Issues Raised	Main Concerns & Responses	Stakeholders Present
				deposit in legal owner's name; inheritance via court • Compensation transfer to pension card — not permitted; bank account required • Coordination with Contractor for continued land cultivation		
May 1, 2026 15:00	Hajigabul	Hajigabul Region Executive Power Office	21	• Leaseholders of state/municipal land — asset/livelihood compensation (not land value) • Municipal land: land value compensated to municipality, crops/assets to leaseholder • Tree compensation on state land per established procedures • PAP awareness — not all PAPs present; municipalities to disseminate RAP information • Undocumented land users (deceased owner's land) —	• Not all PAPs consulted yet at time of disclosure meeting — individual follow-up by Azerenerji PIU planned for consent forms, Land Entry Protocols (LEPs), and compensation • Undocumented cultivators of inherited land — ownership verified via cadastral records; courts to resolve disputes	PAPs, municipality heads, local executive power representatives, regional utility offices (power, gas, water/irrigation)

Date	Location	Venue	Participants (Total)	Key Issues Raised	Main Concerns & Responses	Stakeholders Present
				cadastral verification; funds in legal owner's name • Pension cards not accepted for compensation payment — bank account required		
TOTAL (7 meetings)			**188**			

9.4. Grievance Mechanism

A Grievance Redress Mechanism (GRM) established to ensure that grievances related to land acquisition, compensation, resettlement activities, and other social and environmental issues arising from project implementation are addressed in a fair, transparent, and timely manner. The GRM is designed in accordance with World Bank ESS10 requirements and aims to provide stakeholders with a safe channel to express their concerns, suggestions, and grievances while ensuring an effective grievance management process.

Within the scope of the GRM, the identity of complainants and the content of grievances will be handled in accordance with confidentiality principles. Records will be accessible only to authorized personnel and will not be shared with third parties. Stakeholders have the right to submit anonymous grievances. The project commits to a strict non-retaliation policy; any discrimination, pressure, or adverse treatment toward individuals submitting grievances is strictly prohibited and will be subject to further review.

The GRM does not restrict the legal or administrative rights of Project Affected Persons (PAPs). PAPs will be informed verbally and in writing about their grievance rights and submission channels during consultations, inventory surveys, and disclosure of compensation information. Grievances may be submitted in person, by telephone, through written petitions, via email, or through Azerenerji's central 186 hotline.

The grievance mechanism will operate through a multi-tier structure.

- At the first level, grievances will be addressed by the region-level Azerenerji office responsible for land acquisition and resettlement, with the objective of achieving prompt and informal resolution where possible.
- Grievances that cannot be resolved locally will be referred to a Grievance Redress Committee (GRC) composed of representatives from the Executive Authority, Municipality, Project Implementation Unit (PIU), contractors, and PAPs. The committee will facilitate mediation and seek mutually acceptable solutions.
- If resolution is still not achieved, the matter may be escalated by Azerenerji-PIU to relevant higher authorities, and formal mediation mechanisms may be utilized where appropriate. PAPs retain the right to pursue judicial remedies at any stage, independent of the GRM process.

Grievance intake, review, and resolution will follow defined timelines. Azerenerji will provide an initial acknowledgment as soon as possible, preferably within 24 hours of receiving a recorded grievance. Each grievance will be documented in writing and tracked in a database, including submission date, nature of the grievance, responsible party, proposed resolution, and closure status. The grievance and request form is presented in Appendix 1.9.

Active stakeholder engagement during land acquisition and resettlement planning and implementation will aim to minimize the emergence of grievances. Where grievances arise, resolution processes will be conducted transparently, impartially, and in a culturally appropriate manner. Sensitive cases, including allegations of sexual exploitation or abuse, will be handled under strict confidentiality protocols and referred to appropriate authorities when necessary.

The effectiveness of the GRM will be monitored regularly. Resolution processes and outcomes will be documented, and improvements will be implemented as needed. The overall objective is to address stakeholder concerns in a timely manner and to support a socially sustainable resettlement process.

10. Monitoring, Evaluation and Reporting

All land acquisition and resettlement tasks under the Project will be monitored by the PSE (Project Supervision Engineer) and reported to Azerenerji via the PIU and to the WB.

Monitoring and evaluation (M&E) play a critical role in determining the effectiveness of Azerenerji's own processes and its efforts to address the impacts of involuntary resettlement on those affected. M&E will determine when the resettlement project has achieved the full and effective implementation of its planned activities. For these purposes periodic (semi-annual) monitoring reports shall be prepared by PIU with assistance of Project Supervision Engineer (PSE) that would describe the progress on the implementation of land acquisition and resettlement activities, including any compliance issues and necessary corrective measures. The reports shall follow the land acquisition and resettlement indicators set during the RAP approval.

Internal social safeguard monitoring will be carried out by the PSE and supervised by PIU to assess the progress and results of RAP implementation and adjust the work program, if necessary. The social safeguard monitoring reports will cover the progress/results on RAP implementation and safeguards activities including activities on past and future social impacts mitigation. Moreover, PIU will prepare and submit to the Bank a RAP Completion after the RAP implementation. The PIU will verify the social readiness of specific project segments, based on findings from external monitoring. The outcomes of such verification will be shared with the World Bank for review, as appropriate. Civil works in any given segment will commence only after the PIU confirms that RAP implementation requirements for that segment have been satisfactorily met, and the Supervision Engineer issues the corresponding Notice to Proceed (NTP).~~The PIU must verify, and the World Bank must approve, the 'Social Readiness' of a specific segment through an External Monitoring Report. Only after this clearance is obtained can the Supervision Engineer formally issue a 'Notice to Proceed' (NTP) for civil works in that designated area.~~

Monitoring activities will include both performance monitoring and impact monitoring. Performance monitoring will focus on tracking the implementation of RAP activities against planned timelines and milestones, including land acquisition, compensation payments, consultation activities, and grievance resolution. This will enable Azerenerji and relevant stakeholders to assess whether the resettlement program is being implemented as planned and to identify any delays or gaps.

Table 10-1: Performance Monitoring Indicators

Indicator Category	Indicator	Unit	Target	Data Source	Responsibility	Frequency
Land Acquisition	Land parcels acquired vs. planned	%	100%	RAP database	Azerenerji SE	Monthly
Compensation	PAPs compensated before land entry	%	100%	Payment records	Azerenerji SE	Monthly
Compensation	Time between valuation and payment	Days	≤30 days	RAP database	Azerenerji	Monthly
Asset Compensation	Crops compensated before impact	%	100%	LEP records	Azerenerji Contractor SE	Monthly
Asset Compensation	Trees compensated (income-based)	%	100%	Valuation reports	Azerenerji	Monthly

Asset Compensation	Structures compensated (replacement cost)	%	100%	Payment records	Azerenerji	Monthly
Consultations	PAPs informed about entitlements	%	≥90%	Consultation logs	Azerenerji SE Contractor	Quarterly
Consultations	Women participation in consultations	%	≥30%	Attendance sheets	Azerenerji Contractor	Quarterly
GRM	Grievances resolved within 30 days	%	≥90%	GRM database	SE/ Contractor/Azerenerji	Monthly
GRM	Average resolution time	Days	≤30 days	GRM records	SE/ Contractor	Monthly
LRP Implementation	PAPs receiving livelihood support	%	100% eligible	LRP records	Azerenerji	Quarterly
Construction Compliance	LEPs signed before land entry	%	100%	LEP records	SE Contractor	Monthly
Construction Compliance	LeXs signed after land exit	%	100%	LeXrecords	SE Contractor	Monthly
Construction Compliance	Non-compliance cases	Number	0	Monitoring reports	SE Azerenerji	Monthly

Impact monitoring will assess the outcomes of the resettlement process on affected persons and host communities. This will include evaluation of changes in income levels, livelihood conditions, and overall well-being, based on a comparison with baseline data collected through the socio-economic surveys and census. Particular attention will be given to vulnerable groups and households engaged in agriculture and perennial crop production, to ensure that livelihood restoration objectives are achieved.

Table 10-2: Impact Monitoring

Indicator Category	Indicator	Unit	Target	Data Source	Responsibility	Frequency
Agricultural Recovery	Land restored to productive use	%	100%	Site inspections	SE Contractor	Quarterly
Orchard Restoration	Orchard replanting rate	%	≥80%	LRP records	Azerenerji	Annual
Orchard Productivity	Survival rate of replanted trees	%	≥75%	Field surveys	External Monitor	Annual
Livelihood Recovery	Time to resume agricultural activities	Months	≤1 season	Surveys/consultations	External Monitor	Annual
Satisfaction	PAP satisfaction with compensation	%	≥80%	Surveys/consultations	External Monitor	Annual
Vulnerable Groups	Vulnerable PAPs supported	%	100%	RAP database	Azerenerji	Quarterly
Vulnerable Outcomes	Vulnerable HH with restored income	%	100%	Surveys	External Monitor	Annual
Land Use	PAPs continuing land use in ROW	%	≥90%	Field verification	SE Contractor	Annual
Residual Impacts	Unresolved livelihood issues	Number	0	Monitoring reports	Azerenerji	Annual

The M&E system also includes mechanisms for identifying and implementing corrective actions. Any shortcomings or deviations from the RAP will be documented, and appropriate remedial measures will be developed and implemented in a timely manner by the external monitoring and PSE. In the first instance, the M&E team will report through the resettlement project management structure, with findings communicated to the project steering committee and overall project management team.

A final evaluation of the RAP will be undertaken through an independent completion audit, where required. This audit will assess whether the objectives of the RAP have been achieved, including whether affected persons have been compensated and their livelihoods restored in line with ESS5 requirements. Any corrective actions identified through the audit will be fully implemented prior to project closure.

As part of monitoring activities, PIU will conduct internal monitoring on a monthly, six-monthly, and annual basis.

A final evaluation of RAP implementation will be carried out approximately one year after completion of RAP activities. This evaluation will be undertaken by an independent RAP consultant engaged by Azerenerji (PIU), who has not been involved in the preparation or implementation of the RAP, to ensure objectivity. The purpose of the evaluation is to assess whether the objectives of the RAP have been achieved. Baseline socioeconomic data collected during RAP preparation, particularly for severely affected PAPs, will be used to compare pre- and post-project conditions. Where the evaluation identifies that RAP objectives have not been fully met, the PIU will develop and implement appropriate corrective measures, including supplemental assistance as necessary, in consultation with the World Bank.

Table 10-3: Monitoring Schedule

Activity	Responsibility	Frequency	Output
Internal Monitoring Schedule			
Monitoring of land acquisition progress	Azerenerji	Monthly	Progress reports
Monitoring of compensation payments	Azerenerji	Monthly	Payment tracking reports
Verification of Land Entry Protocol (LEP) implementation	Contractor	Monthly	Field monitoring reports
Monitoring of construction-related impacts	Contractor	Monthly	Site inspection reports
Grievance Redress Mechanism (GRM) tracking	Contractor / Azerenerji	Monthly	GRM reports
Monitoring of consultation and disclosure activities	Azerenerji	Quarterly	Consultation records
Monitoring of livelihood restoration measures	Azerenerji	Quarterly	LRP progress reports
External Monitoring Schedule			
Socio-economic consultations	External Consultant	Semi-annual	Impact assessment reports
Evaluation of livelihood restoration outcomes	External Consultant	Semi-annual	LRP evaluation reports

Assessment of vulnerable groups	External Consultant	Semi-annual	Targeted monitoring reports
Independent Completion Audit			
Independent completion audit	Azerenerji	End of RAP implementation	Completion audit report
Verification of livelihood restoration outcomes	Azerenerji	Post-implementation	Compliance confirmation
Implementation of corrective actions	Azerenerji	As required	Final RAP completion report

11. Budget and Business Plan

11.1. Budget

The project's budget items consist of land acquisition for pylon locations and the estimated compensation for trees, crops, and structures likely to be affected by pylon locations and easements. Key assumptions and considerations for budget calculations are presented in the box below.

Box 1: Budget Assumptions

The land acquisition and compensation budget has been prepared based on the following key assumptions and methodological considerations:

Valuation basis: Compensation for permanently acquired land and non-residential structures is based on the results of the asset census and valuation studies conducted within the Project area.

Agricultural land use verification: Although a portion of affected land was not under cultivation during the census period due to seasonal conditions, field verification confirmed that these lands are actively used for agricultural purposes. Accordingly, crop compensation has been included for all affected agricultural land.

Crop yield assumption: Average crop yield has been estimated at 400 kg per 1,000 m², based on local agricultural practices and typical production levels in the Project area.

Extent of easement impact: The total area potentially affected within permanent easement zones (including temporary use during construction) is estimated at approximately 3,858,750 m².It is assumed that 70% of the easement area may be affected during the cropping season due to construction activities. This reflects a conservative, worst-case scenario.

Construction scheduling considerations: The Project will aim to schedule construction activities to avoid peak cultivation periods where feasible. Therefore, actual impacts and compensation requirements may be lower than estimated.

Temporary vs. permanent impacts: Crop losses associated with both temporary use (construction phase) and permanent easement restrictions have been considered in the compensation calculations.

Vulnerable groups: One-month minimum wage is calculated for vulnerable groups impacted from loss of permanent or easement land.

Cumulative impacts: Additional 10% compensation will be provided to PAPs who have been impacted by more than one project component.

Livelihood income restoration: As a result of the construction activities carried out under the project, additional measures aimed at income restoration will be implemented to compensate for losses incurred in the livelihoods of affected individuals due to potential damage to orchards and perennial crops.

Contingency provision: A contingency allowance has been included to account for unforeseen impacts,

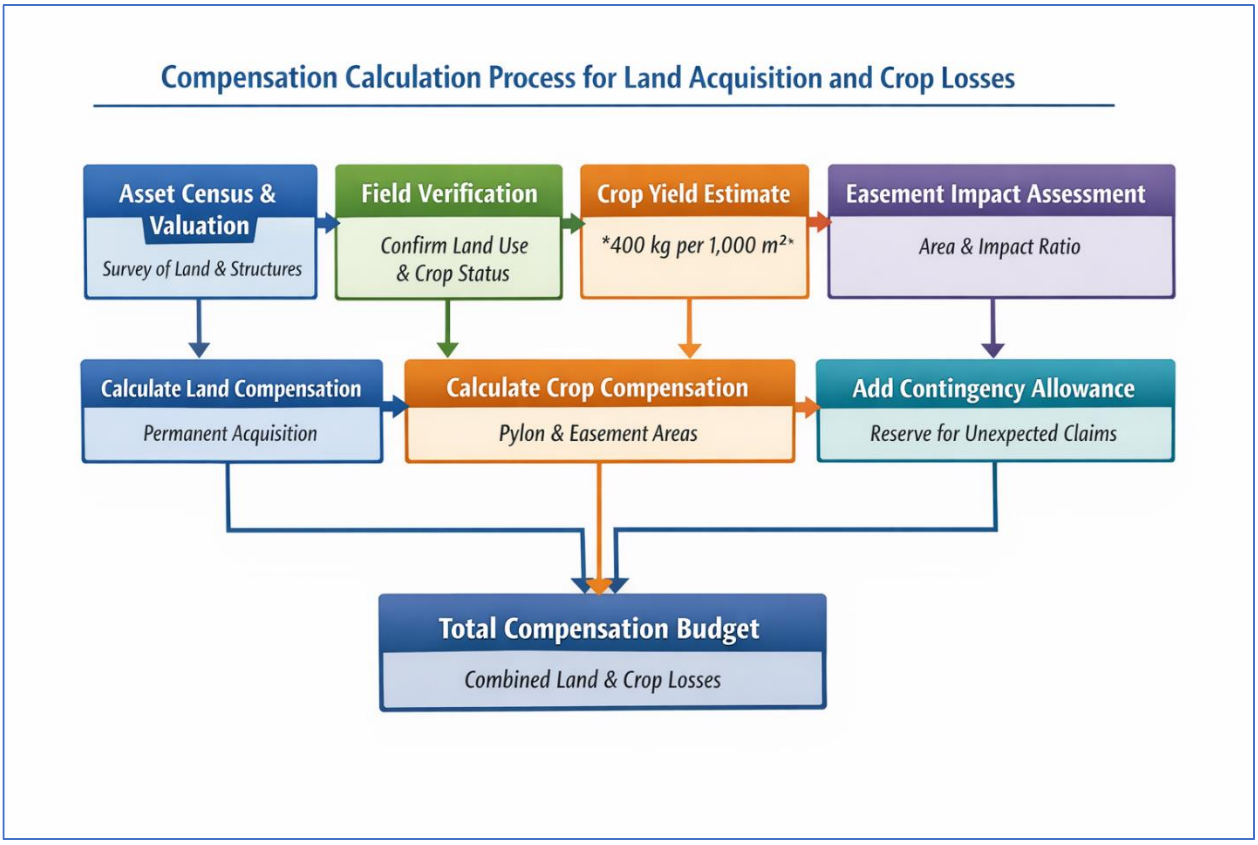

Figure 11-1: Budget Flow

The total amount is **USD 907,987 (1,538,961 Manat,** with an exchange rate of **1 USD = 1.70 AZN Manat).**

Estimated RAP Budget

Table 11-1: RAP Budget

No	Budget Item	Manat	USD
1	Pylon Locations Land Acquisition – State	63,294	37,343
2	Pylon Locations Land Acquisition – Municipality	81,123	47,863
3	Pylon Locations Land Acquisition – Farmers	95,117	56,119
4	Pylon Locations Land Acquisition – Businesses	3,646	2,151
5	Owner – Private – Litigated or Potential	5,220	3,080
6	Owner – Private – Unknown	8,791	5,187
7	Pylon Locations – Crop Compensation	18,637	10,996
8	Pylon Locations – Tree Compensation	1,900	1,121
9	Permanent Easement – Crop Compensation	951,750	561,533
10	Permanent Easement – Non-Residential Structures Likely to Be Affected	81,500	48,085
11	Pylon Locations – Cumulative Impact Support	11,277	6,653
12	Pylon Locations – Vulnerable Groups Support	42,800	25,252
13	LRP support (if needed)	34,000	20,060
14	Contingency %10	139,906	82,545
	Total	**1,538,961**	**907,987**

Details of the RAP budget are as follows

Land Acquisition Type	Impact Type	PAPs Type	Unit	Number	Impacted Area M2	Manat	USD
A. Pylon Locations	Permanent Land Acquisition	Owner - State	NA	NA	69,943	63,294	37,343
		Owner - Municipality	Number	48	52,163	81,123	47,863
		Owner - Private - Farmers	Person	1,114	45,868	95,117	56,119
		Owner - Private - Businesses	Number	6	2,120	3,646	2,151
		Owner - Private - Under court or potential court	Number	20	2,097	5,220	3,080
		Owner - Private - Owner Unknown	Number	21	3,400	8,791	5,187
		Owner - Private - Cumulative Impact - 10% Additional Payment	Percent	10	NA	11,277	6,654
		Owner - Private – Vulnerable Groups – 1 month minimum wage	Household	107	NA	42,800	25,252
	Crops Identified by the Asset Inventory	Legal and informal owners	Person	3	590	819	483
	Product Cost - If applicable (Calculated based on a yield of 400 kg per decare and a sales price of 0.5 manat per kilogram)	Owner - Private - Farmers	Kg	18,347	45,868	9,174	5,412
		Owner - Private - Businesses	Kg	848	2,120	424	250
		Owner - Private - Defendant or Potential	Kg	839	2,097	419	247
		Owner - Private - Unknown Owner - Informal User	Kg	1,360	3,400	680	401
		Legal Tenant - 22 people	Kg	5,882	14,704	2,941	1,735
		Formal Tenant Businesses on State and Municipal Lands – 5 Businesses	Kg	8,361	20,902	4,180	2,466
	Trees (Those who may be affected by the location of the pole and the power line)	Formal and informal owners - 4 people	Number	38	NA	1,900	1,121
		Subtotal Pylons				331,805	195,764

Land Acquisition Type	Impact Type	PAPs Type	Unit	Number	Impacted Area M2	Manat	USD
B. Permanent Easement	Crop Compensation – If Applicable (Calculated based on 400 kg yield per decare at a sale price of 0.5 Manat per kg. The affected easement area is 250 meters between two pylons with a 90-meter easement width).	Private Land Legal and Informal Users - (Area between 246 pylons)	Kg	1,543,500	3,858,750	771,750	455,333
		Municipality Land - Businesses – Area between 2 pylons	Kg	9,000	22,500	4,500	2,655
		Municipality Land – Legal tenants – Area between 40 pylons	Kg	351,000	877,500	175,500	103,545
	Non-Residential Structures Likely to Be Affected	Formal and Informal Owners – 3 persons	Number	6	1,201	81,500	48,085
		Subtotal Easement				1,033,250	609,618
C. Livelihood Income Restoration	LRP support (if needed)	All related PAPs	NA	NA	NA	34,000	20,060
D. Pylons+ Easement + LRP						1,399,055	825,443
E. Contingency (%10)						139,906	99,053
F. Grand Total						**1,538,961**	**907,987**

11.2. Business Plan

The business plan is outlined below.

Table 11-2 Business Plan of Project

Step	Action	Responsibility
A	**RAP Preparation**	
1	RAP disclosure: distribute RAP and information pamphlets in Azeri in the affected communities; post RAP in English on the WB website	Azerenerji - WB
2	Submit final RAP report	Azerenerji - WB
B	**RAP Implementation**	
3	Conducting the micro-routing study	Azerenerji – SE-Contractor
4	Marking the pylon locations	Azerenerji- CC
5	Informing PAPs about the project and the grievance mechanism	Azerenerji – SE-Contractor
6	Commencing construction on state and municipal lands	Azerenerji – SE-Contractor
7	Completing payments for pylon locations	Azerenerji
8	Informing landowners and users of private parcels about pylon locations, permanent easements, and temporary easements before entering the land	SE-Contractor
9	Preparing Land Entry Protocols (LEPs) for private parcels and completing payments for affected assets and crops, if any	SE-Contractor
10	Preparing Land Exit Protocols (LExPs) upon vacating the land	SE-Contractor
11	Repairing any damage caused to common infrastructure	SE-Contractor
C	**RAP Completion**	
12	Preparation of the RAP Completion Report	Azerenerji
13	Approval of the RAP Completion Report	WB
14	Disclosure of the RAP Completion Report	Azerenerji - WB

12. Appendices

The appendices have been added to the RAP as a separate file.

1.1. List of Settlements

1.2. Verification Study Interview List

1.3. Household Survey Template

1.4. Businesses Survey Template

1.5. Consent Forms

1.5.1. State Owned Land Parcels

1.5.2. Municipality Owned Land Parcels

1.5.3. Municipality Owned and Leased Land Parcels

1.5.4. State Owned and Leased Land Parcels

1.6. Land Entry and Exit Protocols

1.6.1. Land Entry Protocol (LEP)

1.6.2. Land Exit Protocol (LExP)

1.7. Z.M's Official Letter

1.8. Information Brochure Template

1.9. Grievance-Request Form (Application and Closed)

1.10. Azer Energy Easment Parcels Sampling Methodology

1.11. Field Photos

1.12. List of Impacted Parcels and Census (Excel files)

1.13. Expert Report on Easement - 500kV Navahi OHL 235km