

PART B AZERBAIJAN SRAP REVIEW FINDINGS

SEPTEMBER 2005

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1 SCOPE OF SEPTEMBER 2005 REVIEW

The fifth Social and Resettlement Action Plan (SRAP) Expert Panel Review of the Azerbaijan section of the BTC pipeline was carried out in the period 2-16 September 2005, by SRAP Panel member Ms Tasneem Salam. During the field visits to the pipeline affected areas, she was accompanied by Ms Ariadna Aliyeva, Social/Community Relations Advisor, BTC Co. and Aida Shamilova, Regulatory and Social Affairs Advisor for BTC Co. Operations. Ms Jenny Zhou, Social Development Specialist with the International Finance Corporation accompanied the SRAP Panel as an observer as part of IFC's own monitoring activities. BTC community liaison officers were also present. Geographical areas covered in the field visits are the districts of Agstafa, Tovuz, Shamkir, Samukh, Goranboy, Yevlakh, Agdash, Kurdamir and Hajigabul, in which 18 villages and around 300 villagers were consulted. Key findings were presented to the BTC Co, Azerbaijan team on 12th September 2005.

The focus of the review methodology is consultation with project affected people, both in groups and individually. Local government officials were also consulted. Additional meetings were held in several villages with *Ijma* groups, which are the community based organisation set up as a part of the Community Investment Programme funded by BTC Co. In addition to these meetings in project-affected villages, interviews took place with representatives of the following organizations:

- BTC Co., specifically the land acquisition team, the social assurance team, and the Communications and External Affairs teams.
- The different NGOs involved in the Social Investment Programme including the CIP partners, Save the Children Foundation, International Rescue Committee, International Medical Corps and FINCA, and other local investment partners such as Hayat and OJAG.
- Pipeline contractor Consolidated Contractors International Company (CCIC).
- The NGO Helsinki Citizens Assembly which took part in the NGO Monitoring Exercise.
- The Enterprise Centre in Baku

2 LAND ACQUISITION

2.1 Land Acquisition Status at Time of Review

Table 2.1 summarises the progress of land acquisition activities up until 30th June 2005

Table 2.1 Land Acquisition up to 30th June 2005

Event/Activity	Status	% of Total
Payments made to owners / users (% of total number of owners / users)	Bank accounts have been established for all people, in all Districts, except for 12 unavailable land-owners (compensation for these 12 owners has been retained until such time as they are located) and some newly identified land owners as result of post-agreement cases mostly in Shamkir and Agstafa districts. One Land Owner out of 13 from Samukh district is currently in the process of receiving compensation.	99%
Land available to Contractor (based on % of bank transfers)	All land is available to the Contractor	100%
Number of pre-entry agreements signed by Contractor (As Received by BTC)	6442 pre-entry agreements have been signed by the Contractor with landowners and users prior to accessing the land plots.	The number of Pre-entry agreements signed equals to 99 % complete (by parcels).CCIC landowner pre-entry agreements are in place for 441km of the pipeline.
Number of lots occupied by contractor (% of total)	398,757 km of pipeline ROW was graded for SCP Pipeline, and 6417 lots have been occupied.	97.7% for SCP pipeline.
Number of lots reinstated and handed back to owners/users	Bio Restoration has been started by contractors and 5967 lots for BTC have been bio- restored, bio-restoration is in place for 439.154 km of pipeline. 97 lots have been bio-restored for SCP; bio-restoration is in place for 8.390 km of SCP pipeline. Hand back to landowners, as documented by Exit Agreements, will occur after construction of SCP.	90.8 % of total number of parcels for BTC, and 1.47% for SCP.

Source: BTC Co June 2005 Internal Monitoring Report

2.2 Main Issues Related to Right of Way Acquisition

Overall the land acquisition process has been successful and villagers are generally satisfied with the level of information and approach. Some were in fact complimentary.

Land acquisition has been a highlight of the Project, in a context which is not always straightforward. Outstanding issues at the time of writing are discussed below – some of these are long term and carried over from previous reviews.

- The whereabouts of 12 affected landowners remain unknown, and their compensation payment is outstanding (total amount: USD 22,054). BTC Co works with municipalities, and families where these could be identified, to locate these landowners and effect their payment, but this is likely to be a long process that will need to be transferred to the Operations team;
- In the village of Gilinjbeyli in Shamkir District an issue has arisen of potential extortion of compensation paid for temporary land acquisition. These relate to new land agreements that were signed in the period August –September 2004 and affect a total of 23 land owners. It has been alleged that a member of the State Land and Cartographic Committee had been involved in falsifying documents with regard to crops cultivated and had attempted to extort money from villagers. It is not clear to the SRAP Panel whether the falsification of documents was carried out in collaboration with the affected people. BTC Co. first became aware of this in October 2004 through a verbal complaint from a villager. The matter was initially investigated by the Project Security Department in November 2004. Current status is that material from the investigation has been submitted to the Ministry for National Security and the matter is now awaiting decision from the Main State Prosecutors Office. The SRAP Panel visited the village of Gilinjbeyli and decided at the time of the visit, given the sensitivity of the situation, not to interview the affected villagers, particularly in view that the matter is now being investigated. The SRAP Panel has a number of concerns with regard to this issue: a) that affected people do not experience under-compensation; b) as this presents a reputation risk to the Project, the findings must be disclosed in a form which can be easily understood by the local, national and international community. It is understood that the full findings may take some time as the investigation is now at the Main Prosecutor's office, but people should be kept informed about process; c) finally BTC co. should check that these cases do not create a situation of conflict in the village.
- The case of crop compensation for Hajiali village in Samukh district, where some villagers are requesting payment for crop damage on land which they are farming, but for which they have no eligible certificate. This case has some history and has been the subject of stoppage of construction activities. Initially the villagers had rejected an offer of compensation for crop loss, demanding land compensation as well. Some had taken their case to the district courts but the courts had not decided in their favour. Through the instigation of a new Governor the Project has now received a request for compensation of crops only which the farmers are now apparently willing to accept. At the risk of setting a precedent, since actual losses were incurred the Project should consider payment of crop loss, but making it very clear that this is over and above the commitments of the Project.

Recommendations:

- a. BTC Co to ensure that funds for outstanding land payments are transferred to Operations (recommendation carried over from previous review)
- b. BTC Co. to ensure that the 23 people affected by the Gilingbeyli corruption case are not under-compensated and that there is public disclosure of the investigation, following the Main Prosecutor's Office investigation..
- c. A review of village conditions after land hand back to ensure that the process of land expropriation did not leave situations of intra-village conflicts. This could be carried out after the land exit process and as a part of handover to Operations.

2.3 Application of Protection and Consultation Zone

As described in the previous review, land affected farmers are well aware of the expiry date of the temporary land acquisition (31st December 2005) and that if this date needs to be extended there will be payment of an additional six month of compensation. There is also understanding of the use restriction on the land after hand back – people were able to mention specific activities that could not be carried out on the land. Overall people were fairly confident that the land would be reinstated and raised no concerns on the matter. There was less clarity on how they would assess that the land had been reinstated. Most said they would make a visual observation of and also mentioned the photographs that had been taken before land entry.

The land exit protocols were less well understood. Many affected people claimed that they were not aware that they would have to sign a land exit agreement, although it had been mentioned during land entry. It was difficult to assess whether this was related more to a reluctance or wariness of written agreements and their implied formality.

It is observed that in most villages, the more marginal and less well-networked people such as the elderly and poorer farmers were less aware of the process of land hand back, and restrictions on use. During the land exit it is important that these people are given the time and attention required to ensure full understanding of the processes and their obligations and rights.

2.3 Land Exit and Communities Rights after Land Hand back

At the time of the SRAP review, details of the land exit procedure and also the supporting documentation had not been prepared. Verbal presentations were made, however, of BTC Co.'s strategy for the land hand back process. Whilst the approach appears to be a rigorous one, the Panel is concerned that the Project is running out of time in preparing the necessary documentation and protocols and procedures for land exit. Information needs to be received by the community, well in advance of the land hand back so that they are given adequate time to assess the reinstatement and to assimilate all information delivered and raise any potential queries. Clarification is also required about the status of the land exit agreement signed between the Contractor and land affected person. The Contractor land exit form is very minimal indeed and the SRAP Panel has been informed by CCIC

that BTC Co. will no longer be included as a signatory. It is the view of the Panel that measures should be in place to augment the process and to ensure that RAP commitments are met. Affected people also need to be made aware of mechanisms for recourse should any problems arise in the future. Areas where there will be a delay in land hand back (at present this affects plots from KP0-200) should be informed a month in advance, i.e. by the end of November 2005. The SRAP Panel has been informed by BTC Co. of plans in place to ensure management of the reinstatement and land exit.

During the land exit, land affected people need to be reminded that the compensation amount covered both the future restrictions on use of the land and an initial loss in productivity after land hand back. The reviewer has been informed that this is something that will be included in the information pamphlets.

Recommendations:

- d. Land hand back strategy, timeframe and public information documents need to be finalised as a priority.
- e. Where land exit will not be possible by 31st December 2005, the affected people need to be informed by November 2005.
- f. Parallel with CCIC land exit protocol, BTC Co. to carry out measures to ensure that reinstatement is in keeping with RAP commitments. (The SRAP Panel has been informed that the procedure for undertaking this is being established).
- g. If time allows, pilots/tests should be made of the land exit/hand back procedure in a small number of communities.

2.4 Reinstatement of Community Infrastructure

There are a number of villages in which construction has adversely affected community infrastructure, in particular roads and drainage systems. Mention was made of these in the village meetings and a request that the Project should keep its commitment to reinstate damaged infrastructure. BTC Co. has prepared a list of roads that have been damaged during construction and has presented this to CCIC for comments on timetable for reinstatement. At the time of the review, no response had been received.

Community infrastructure affects a wider group than just land affected people and needs to be addressed properly not only to minimise the real negative impacts, but also because it is something that will have considerable influence on how the Project is perceived by the community.

Recommendation:

- h. BTC Co. to enforce and monitor contractor reinstatement of community infrastructure. (The process for this is underway)

2.5 Decommissioning of camps and other facilities

Communities have apparently expressed interest in the infrastructure in the camps and asked that they be retained rather than the land reinstated to original conditions. This could lead to potential safety problems and it is suggested that the approach should be to reinstate the land to original condition, but if material/infrastructure can be made available this should be done through a controlled process. The material should be checked for safety and placed in a depot from where they could be transferred to communities if requested. The reviewer has been informed that this is in fact the process that has been adopted to date and should continue.

2.6 Monitoring of Land

BTC Co. has requested the State Land and Cartographic Committee to collate information on land transactions and prices as a basis for monitoring land market trends in the project area. No formal reply was received. Whilst previous attempts to obtain this information are appreciated, the recommendation is repeated in this review.

Recommendation:

- i. BTC Co to urge the State Land and Cartographic Committee to develop the requested basis for monitoring of land prices

3 LIVELIHOOD RESTORATION

3.1 Household Socio-Economic Surveys and Livelihood Restoration

At the request of the SRAP Panel, BTC Co.'s Social Team completed 100 household surveys in 2004 that were intended to provide an indication of trends in households' income and expenditures as a complement to the Completion Audit. These hundred households provide a useful group of respondents that can be used for comparative purpose in the livelihood restoration survey that will form part of the Completion Audit. An initial analysis of the data has been carried out by the Social Team and shows that although overall peoples' income had increased due mainly to the compensation money, around 12% also reported increase in income due to an increase in the price of agricultural products. People had used their compensation money in various ways – some for management of household expenses such as weddings, other to increase their asset base by building a house – and a significant number had made investments in their agricultural production base, for example, buying livestock or agricultural equipment.

This initial analysis of the data needs to be looked at again and refinement and clarifications made were required. There are some discrepancies between tables showing aggregate household income and tables showing a breakdown of income from different sources. Analysis should be made of the data, excluding the skewing of income by

compensation. Interviewees' responses to open questions are often an enlightening source of information and there should be a grouping and tabulation of these responses.

Recommendation:

- j. Revisit the analysis to clarify the different tabulations, separate out the impact of compensation on income. Group and tabulate the responses to the open questions.

3.2 Livelihood Restoration of Households Affected by AGI-Related Land Take

BTC Co. CLOs have implemented the recommendation in the March SRAP Panel review to investigate and record the impact of the households that have experienced permanent land acquisition due to the AGIs. This investigation shows no significant negative impact and in many cases people had used their money wisely to improve their livelihoods. It would be useful if the written documentation could provide more detailed information rather than just comments like 'her life has improved a lot'. These households should be looked at again in the latter half of 2006 before the Completion Audit.

Recommendation:

- k. Investigation on livelihood restoration of households affected by permanent land acquisition to be repeated in latter half of 2006.

3.3 Vulnerable Groups

During this review the SRAP Panel had the opportunity to speak to a small number of vulnerable households, specifically elderly persons, female headed households and minority groups. With regard to land affected vulnerable people, they appear to have received their compensation money and used it in a way which they felt most appropriate to their needs. One female headed household that had previously been living with relatives was able to use the compensation money to build its own home. The BTC Co. CLOs have also implemented recommendation (i) of the last review and investigated the livelihood conditions of land affected vulnerable people. This exercise should be repeated at least one more time before the Completion Audit.

As will be discussed below, the CIP programme has in many areas attempted to incorporate more vulnerable and marginalised groups. Nevertheless, the SRAP Panel considers that it is worthwhile to repeat the recommendations of the previous review.

Recommendations:

- l. BTC Co. to repeat the investigation of how land acquisition impacts have affected vulnerable people. It is recommended that this investigation be carried out in the latter half of 2006 – mid way between now and the Completion Audit.
- m. BTC Co to continue to work with CIP implementing partners and local municipalities and ijmas to ensure that vulnerable people identified in the list recently developed by

CLOs are taken specific consideration of in access to newly established services, particular health services. (This is a repeat of recommendation (j) from the previous review).

4 RAP IMPLEMENTATION

4.1 Organisation and Resources

The positive observations of the previous reviews were confirmed in this review. The SRAP Panel highly commends the transfer of the CLOs into Operations. Baku based operations staff have been appointed and are already working alongside the Construction Phase staff and this should ensure a smooth transition from the construction to operations. It is expected that beyond 31st December 2005, there will be some issues remaining, particularly with regard to land exit. Whether there is need for continued input of Construction Phase staff for a period into the Operations Phase should be considered in December 2005.

4.2 Monitoring, Documentation and Reporting

Positive observations of previous reviews were confirmed in this review. Since March 2005, the Social Field Co-ordinators (SFCs) have also undertaken an audit of employment protocols in the different camps. The recommendation for full reporting of Social KPIs is yet to be implemented and is repeated here.

Recommendation:

- n. BTC Co to require CCIC to provide a complete reporting of social KPIs

5 SOCIAL IMPACTS OF CONSTRUCTION

5.1 Employment

Employment KPIs have been regularly reported by contractor Spie Petrofac and these show targets to have been met or exceeded. Contractor CCIC continues not to report the employment KPIs. Inequalities in recruitment along the pipeline that was observed by previous SRAP reviews have not been addressed.

A request was made by SRAP Panel for BTC Co. to undertake an audit of contractors' compliance with Azeri labour laws and it is appreciated that two actions have been taken on this recommendation:

- US law firm Holey Foag which was commissioned by BP Exploration Caspian Sea Ltd to carry out a first monitoring assessment of fundamental human rights in Azerbaijan in April 2004, were requested to conduct a second monitoring assessment in July 2005. The disclosure of this assessment is protected by attorney-client privilege, but the information conveyed to the Panel is that BP intends a summary of key findings to be made available to the public during 2005.
- The SFCs have been carrying out employment/demobilisation audits for the different camps.

An approach to resolving employment grievances remain problematic and should be addressed at management level. The SFCs sometimes receive employment grievances and will pursue these if presented as a written complaint. Where the issue is covered under Azeri law the matter is highlighted to the Contractor and can usually be resolved easily. According to the SFCs, difficulties occur when the Azeri law does not provide clarity and is a matter of interpretation. In such cases, the SFCs make a judgement as to what is the appropriate action and are in the position of having to persuade the contractor to implement this action. Since the SFCs are employed by BTC Co. they are often in the difficult position of being 'middlemen' where they have little power to effect action other than through persuasion. With the transition to Operations BTC Co. should re-consider the employment social KPIs and how the social objectives that are a basis for the KPIs can be best achieved. In association with this, considering supply chain management, it is important that not only BTC Co., but its suppliers and contractors also have a good understanding about socially responsible employment strategies and the justification for adopting such an approach. Based on the experience of the SFCs so far, BTC Co. could identify situations in which the Azeri labour laws do not provide enough guidance or are open to interpretation and develop protocols for managing such situations and ensure that they are understood and agreed by suppliers/subcontractors. The SRAP Panel has been informed that BTC Co. is currently making an assessment of their strategy for monitoring labour issues. In doing this BTC Co. could refer to SA 8000 or equivalent accepted international standards as a framework for developing its own policy.

It also needs to be appreciated that in many instances due to the lack of employment opportunities in Azerbaijan, in some instances there is a demand from workers that would lead to a contravention of the labour laws; for example where workers request overtime over and above the weekly limit.

Recommendation:

- o. BTC Co. to define company's policy on social accountability with regard to employment and labour conditions. This should be based on Azeri labour law, but also take into consideration problems of interpretation based on experience of employee grievances so far.
- p. BTC Co. to develop a strategy that effectively communicates to suppliers/subcontractors social accountability issues with regard to employment and labour conditions.

5.2 Local Procurement and Supply

The issues reported in the previous reviews still remain regarding the difficulties of increasing local procurement and supply. Opportunities now exist to prepare for local procurement during Operations, which because they will exist for at least a 40 year period can be quite significant. At the national level the Enterprise Centre presents a useful resource. It is currently in the process of reorganisation and will have representation from both the Regional Development Initiative and BP procurement/supply chain. This should create the context for more pro-active support. SRAP Panel to check in next review.

General business advisory support is not a focus of the Enterprise Centre at present nor is it aimed at the more local level enterprises around the pipeline affected villages. It may be more appropriate to provide support for smaller local businesses through the CIP as a part of increasing economic development emphasis for the CIPs in Operations Phase (see section on CIPs below).

- q. SRAP Panel to investigate effectiveness of reorganised Enterprise Centre in next review.

5.3 Infrastructure and Services

See section 2.4

5.4 Community Safety

No issues of safety were raised in the villages visited in this review.

6 COMMUNITY ENGAGEMENT/PUBLIC CONSULTATION

6.1 Engagement with NGOs

BP has initiated an NGO monitoring and capacity building programme facilitated by the Open Society Institute Assistance Foundation (OSI). Five themes were explored in the monitoring exercise with a specific working group set up for each theme, which are: Cultural Heritage, Human Rights, Local Content, Social Impacts, and Environment. A total of 27 local NGOs were selected to be part of this programme and were allocated to each of the working groups according to area of interest. The NGOs were all given training in monitoring based on the experience of NGO Catholic Relief Services in the NGO monitoring of the Chad-Cameroon Oil Pipeline Project, as well as capacity building in areas such as project reporting. The first monitoring exercise has been completed and reported, followed by further discussion with BTC Co. on the recommendations. Both the reports and subsequent dialogue between BTC Co. and the participating NGOs are available on the Project website.

Monitoring a project the size and complexity of the BTC pipeline with its long history of development is not an easy task, but judging from the reports and the subsequent dialogue between the NGOs and BTC Co. it has been a fruitful exercise for both parties. One danger of NGO monitoring is that they can sometimes have sectional interest, but the inclusion of a wide range of NGOs has reduced potential for this to become a problem. It is prudent to not directly involve NGOs that are already working in an advocacy role for project affected people in order to ensure impartiality in monitoring, but this may not always be avoidable. The working group approach should reduce potential problems in this regard.

It is important that the selected NGOs do not become an elite club of monitors and that the results are shared with other civil society groups. Whilst the NGO monitoring reports are now on various websites, it is not clear to what extent there is a systematic process in place for information sharing with other NGOs.

This monitoring exercise gives NGOs the opportunity to understand more fully the objectives of activities such as the CIPs and at the same time it can be useful in highlighting local level issues that may have been missed by the other monitoring exercises.

Recommendation:

- r. NGO monitoring to continue into Operations with the same NGOs, but a systematic process to be developed of networking the results with civil society.

6.2 Information Dissemination to Local Communities

Continued information dissemination will be important in developing and maintaining good neighbour relationship with communities (not just land affected households) along the pipeline. Information dissemination is particularly important in this transition phase so that people are aware of factors such as the presence of security forces patrolling the pipeline on a regular basis.

BTC Operations social staff have already started interesting initiatives to inform children in a proactive way by using local newspapers. These are useful, but should be set within the framework of a wider community engagement strategy.

Recommendation:

- s. BTC Co. to develop a community engagement framework for Operations Phase.

7 COMMUNITY INVESTMENT PROGRAMME AND OTHER SOCIAL INVESTMENT PROGRAMMES

7.1 Community Investment Programmes – A Sound Process for Sustainable Development

The Community Investment Programmes were intended to be two year programmes and are now complete. Further extensions and long term plans are discussed below. Previous reviews assessment of the CIPs as excellent is confirmed. A description of the CIPs will not repeated here, except to say that in the opinion of this reviewer, what makes the CIPs particularly successful is the very well thought through processes for encouraging transparent, participatory, community based decision making at all stages of the programme. In development experience, getting the right processes in place are often far more important and sets the basis for long term sustainable development. Particularly important is that the processes lead to community empowerment not dependency. The CIPs have emphasised community contribution and other schemes such as IMC's pre-paid insurance and fee-for service schemes. In addition, the involvement of municipal councils and Ex-coms, builds capacity of local structures and supports sustainability.

Ijma group members consulted all said that initially the community had been sceptical about the CIPs, but once they had shown that they were actually delivering on promises, community participation became easier. In some villages the ijma groups were able to leverage substantial contribution from local businessmen. Extension of CIPs in the operations phase can build on this initial groundwork (see below) to achieve sustainable economic and social development.

In a few villages some micro-projects are still awaiting completion, due either to delays in receiving community contribution, or input from local government departments. Unless these inputs are made these micro-projects may become obsolete. A final check should be made of all the micro-projects to ensure that they are completed as planned, and assistance (but not monetary) given to enable completion.

Previous SRAP reports have highlighted safety and proper technical design as priority issues for the quick impact projects. This relates both to safety procedures during implementation and also technical design aspects. Safety training has been given to all the CIP partners which cover safety standards and company expectations in terms of accidents and injury free culture. A final check on technical design and implementation of micro-projects would reassure that there are no technical/design aspects which may have a negative impact on safety and sustainability. In some cases this may be as simple as a loose electrical wire in a school building or the need to put in an adequate pump for a water supply system.

Recommendation:

- t. BTC Co. to undertake a final check on micro-projects to ensure that they are functional and that there are no issues of a technical/engineering kind which may lead to safety concerns.

7.2 CIP into Operations Phase

The extension of CIPs into Operations is commended by the SRAP Panel. Strategy for advancing the CIPs during Operations is being developed. With regard to Azerbaijan the initial thoughts on how the CIPs will be progressed is based on the experience of the last two years and presents a sensible approach which addresses some of the well know concerns of development projects of this kind. Some of the elements of this approach are

- partner communities for CIP to be selected on the basis of performance
- rewarding village contribution to avoid issues of dependency
- linking in more closely with local government bodies so that skills become more embedded in local institutions and therefore have a greater likelihood of being sustainable.

A note of caution: although performance based approaches can be effective, given the range of communities along the pipeline there is a need for careful selection of criteria so that there is a fair comparison of communities that are at different stages of development. The approach being adopted by Save the Children in selecting 'star' communities for the extension to third year of their programme indicates an appropriate approach.

A key concern of communities along the pipeline is job and income creation. FINCA has been a useful resource in that regard, but a more comprehensive set of measures are needed. The CIPs in Azerbaijan should move more firmly into the area of economic development, though it is well appreciated that this is a very complex task and requires a very robust approach. Moreover, it is something in which national and regional level factors are very influential (see Section 8 below).

7.3 Other Social Investment Programmes

A number of other social programmes are being implemented by the BTC Social Team. Collectively they present innovative and well formulated approaches to development. Three worth mentioning here are:

- The National NGO Capacity Development Programme implemented through IRC in which a number of national NGOs were selected on a competitive basis and given training to develop capacity to carry out programmes such as CIP. The training was followed by an opportunity to implement in a village, but with support from the international NGO.
- Environmental Awareness and Improvement Programme (EAIP) being implemented by local NGO Hayat. An interesting and important initiative working with communities to understand and develop awareness of community issues, and the development of eco-friendly businesses. The awareness training revealed that

although people had an understanding of global environmental issues, there was much less appreciation of local level environmental issues and how their daily activities contributed to it.

- The HIV/STI awareness programme. This has developed innovative approaches for hard to reach groups such as sex workers.

7.2 General Observations

As the CIP strategy for Operations is being developed at present, it is premature to make recommendations, instead a few observations are made below:

- The social investment programmes are individually well designed and collectively make up an interesting set of development initiatives. There is a danger that it may all end up being rather piecemeal unless set within the context of a long term area development plan/framework. Design of CIP strategy should consider developing, perhaps at the level of sub-districts, area development plans which would form the basis for action by different programmes.
- As employment and income generation is a key concern of the people, the CIPs in Operations should enter more firmly into the arena of economic development. It is recognised that this is one of the most difficult topics in development, but there is now a body of international experience which can provide guidance.
- Broad based participation should continue to be encouraged. Some villages have been very successful in achieving participation by women, others less so. Villages where effective participation by women in the public arena is difficult, should explore other avenues for seeking their input. This is true for all potentially vulnerable and marginalised groups (see recommendation 1).
- There should be continued emphasis on capacity building of local government/institutions.

8 NOTE TO EXTERNAL LENDERS AND ASSOCIATED DEVELOPMENT AGENCIES

Development work in Azerbaijan exists to a certain extent in a development policy vacuum and the Poverty Reduction Strategy Paper (PRSP) does not provide enough of a guiding framework. The Regional Development Initiative is making some contribution to this, but naturally it will be limited. It is the view of the SRAP Panel that development agencies such as WB, ADB, DFID and USAID should lead the way to formulate with the Government of Azerbaijan, a long term development strategy for Azerbaijan and sub-areas which can be the context for incentives by other stakeholders. Programmes such as the CIPs could be far more effective if such a strategy were in place.

9 CONCLUSION

Land expropriation has been a highlight of the Project. Now the challenge is reinstatement and land exit for which detailed protocols and public information material needs to be developed. The Panel is concerned about the delay in producing this and urges that BTC Co. not underestimate the time requirements for land exit.

Reporting and monitoring continues to be satisfactory. Many of the recommendations from the previous reviews have been implemented, although some are ongoing and need further refinement such as the livelihood consultation.

Employee grievances and contractor/supplier relationship with regard to this still remains an issue, but an approach is presently being investigated by BTC Co.

The two year CIP programmes were a success. Other social investment programmes are also well designed. The future strategy for CIP is currently being formulated, the approach addresses some key development problems, but the CIPs should be set within a long term area development framework to avoid piecemeal initiatives with no synergy.

10 SUMMARY TABLES OF RECOMMENDATIONS

10.1 Tracking of Recommendations from Previous Reviews

The following table describes the status of recommendations made by the SRAP in the July 2004 and March 2005 reviews.

Date	Recommendation	Status September 2005
July 2004	a. BTC Co to audit of a cross-section of contractor land agreements to verify that RAP compensation rates have been applied.	Partially done – to be completed
July 2004	b. Through consultation with village leaders and key informants, BTC CLOs to refine the list of the project affected vulnerable households to identify those most at risk of experiencing hardship.	Done
July 2004	c. SRAP Panel to review CIP implementing partner/village records of authority approvals for CIP projects during the March 2005 review.	Done
July 2004	d. BTC Co to request CCIC to prepare a recovery plan to redress imbalances in the numbers of workers recruited from each district. (recommendation w)	Not done
July 2004	e. In consultation with the construction contractor, BTC Co to develop a time-bound program to reduce the extent of open trench until compliance with commitments contained in the ESAP is achieved.	Done
July 2004	f. With the construction contractor, BTC Co to review measures to more rigorously monitor the extent of open trench and ensure compliance with related ESAP commitments for the remainder of pipelines construction.	Done (ongoing during SCP construction)
July 2004	g. BTC Co to ensure that the pipeline contractor plans and allocates adequate CLO resources to prepare communities and refresh safety messages ahead of the SCP pipeline construction commencement.	Done
July 2004	h. BTC Co to extend its bio-restoration monitoring program to encompass agricultural reinstatement and restoration of productivity. (recommendation aa)	Underway
July 2004	i. BTC Co to complete the consultation matrix by nominating personnel to be responsible for undertaking each consultation, and the frequency with which contact should take place.	Done

Date	Recommendation	Status September 2005
July 2004	j. SRAP Panel to review arrangements (strategy, budgets, resources) for the continuance of the CIP program into the Operations Phase in March 2005.	Done
March 2005	a. BTC Co. to ensure that monitoring of outstanding land payments is transferred to Operations	Underway
March 2005	b. BTC Co to audit contractor land agreements, based for example on the model used by the Georgia team, including verifications that the documentation is consistent, that RAP compensation rates have been applied and that RAP processes have been complied with, and to document these audits	Ongoing
March 2005	<p>c. BTC Co to continue refreshing landowners'/land users' awareness of long-term restrictions of use in the right-of-way prior to formalizing land exit protocols</p> <p>d. BTC Co to continue making CLEE's legal assistance services available to landowners/land users during the land exit process</p> <p>e. BTC Co to consider establishing with other interested parties (SSSS, District ExComs, CLEE) District level commissions to resolve land-use problems where such problems are identified during and after the land exit process</p>	<p>Underway</p> <p>Done</p> <p>Ongoing</p>
March 2005	f. BTC Co to urge the State Land and Cartographic Committee to develop the requested basis for monitoring of land prices	To be done
March 2005	<p>g. BTC Co to develop a simple analysis of the 100 available surveys, based on indicators such as the following (but not limited to):</p> <p>a. % of households having experienced an increase or decrease in their household income in the last 12 months,</p> <p>b. Ranked factors of increase or decrease in income,</p> <p>c. % of households attributing positive and negative income variations to the Project,</p> <p>Comparison of declared incomes with those presented in the RAP.</p>	Done (needs some revision)

Date	Recommendation	Status September 2005
March 2005	h. BTC Co to document the potential impact of AGIs land take on affected farmers' livelihood, to check the viability of their remaining land holdings, and to develop and plan measures in those cases where hardship would be observed to be directly related to the Project's land take	Done (but needs to be an ongoing task see recommendation --- for SRAP September 2005 review)
March 2005	<p>i. BTC Co to document how land acquisition impacts have affected people now identified as actually vulnerable (whether they belong to categories identified in the RAP or not) during and after the land acquisition process</p> <p>j. BTC Co to continue to work with CIP implementing partners and local municipalities and izhmas to ensure that those vulnerable people identified in the list recently developed by CLOs are taken specific consideration of in access to newly established services, particular health services</p>	Done and ongoing
March 2005	<p>k. BTC Co to obtain from Contractors that SFCs should be allowed to receive grievances from workers and investigate them</p> <p>l. BTC Co to clarify with Contractors the SFCs' mandate in respect of monitoring of labour regulations application, and to give them the required training</p>	Done and on-going
March 2005	m. BTC Co to require CCIC to provide a complete reporting of social KPIS	To be done
March 2005	n. BTC Co to commission an audit of contractors' compliance with Azeri labour laws and lenders' covenants related with employment and labour	Done
March 2005	<p>o. BTC Co to enhance linkages between BP Business Unit in charge of procurement planning and BTC Co social team and CIP implementing partners, and to develop a list of activities that could be contracted out to local small businesses</p> <p>p. SRAP Panel to review the status of local procurement planning during next mission</p>	Ongoing

Date	Recommendation	Status September 2005
March 2005	q. BTC Co to review measures proposed by the contractors to ensure proper road reinstatement, well ahead of contractor demobilization r. SRAP Panel to follow up on road reinstatement issues during next review	Ongoing Done
March 2005	s. BP Business Unit and BTC Co to ensure clear allocation of responsibilities and budgets between the RDI and the continuation of the CIP during Operations t. SRAP Panel to follow up on these arrangements during next review	Underway Done

10.2 Summary of September 2005 Recommendations

Key recommendations arising from the September 2005 review of the BTC project in Azerbaijan are tabulated below. Recommendations are prioritized as follows:

- High** Actions that are critical to ensure compliance with commitments contained in the RAP, ESAP or World Bank OD 4.30
Medium Actions desirable to comply with social or resettlement good practice or to address actual or potential areas of social risk
Low Important actions that are less time critical

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Land Acquisition					
Outstanding compensation payments in limited number (absentees)	Where the rightful owner/user of an affected piece of land cannot be compensated, compensation must be kept available and paid whenever the whereabouts of the affected person are identified	Provisions need to be made to ensure the continuous monitoring of these outstanding cases when land management responsibilities are transferred to Operations	a. BTC Co to ensure that funds for outstanding land payments are transferred to Operations (recommendation carried over from previous review)	BTC Co	Medium

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Potential case of extortion	BTC Co is responsible for ensuring that all land acquisition and compensation payments, including those by contractors, are carried out in accordance with the RAP	Overall the Project has performed well and corruption has been negligible. This is an anomaly, but must be addressed as a very serious issue.	b. BTC Co. to ensure that the 23 people affected by the Gilingbeyli corruption case are not under-compensated and that there is public disclosure of the investigation, following the Main Prosecutor's Office investigations.	BTC Co	High
Potential intra-village conflict	BTC Co. to ensure that there are no negative impacts as a result of the temporary land expropriation process.	There has been very little conflict within villages as a result of the activities of the Project.	c. A review of village conditions after land hand back to ensure that the process of land expropriation did not leave situations of intra-village conflicts. This could be carried out after the land exit process and as a part of handover to Operations.	BTC Co.	Low

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Hand back of use rights - Long-term restrictions of use	BTC Co and SCP lease the 58-m wide corridor from the State of Azerbaijan. After a 3-year compensation agreement with original land owners and users covering the construction period, land use rights are returned to these original land owners and users, subject to certain restrictions.	<p>Understanding of the retrocession process is generally good, but restrictions will need to be explained again to land owners/users.</p> <p>Not all legal steps are finalized for the 'omnibus' lease agreement to take effect. Land exit (sanctioning the end of construction) is going to occur on 31st December, 2005. During Operations, the SSSS will play a key role in policing access to, and use of land in the pipeline corridor.</p>	<p>d. Land hand back strategy, timeframe and public information documents need to be finalised as a priority.</p> <p>e. Where land exit will not be possible by 31st December 2005, the affected people need to be informed by November 2005.</p> <p>f. Parallel with CCIC land exit protocol, BTC Co. to carry out measures to ensure that reinstatement is in keeping with RAP commitments. (The SRAP Panel has been informed that the procedure for undertaking this is being established).</p> <p>g. If time allows, pilots/tests should be made of the land exit/hand back procedure in a small number of communities</p>	BTC Co	High
Damage to community infrastructure	Infrastructure damaged as a result of construction must be reinstated.	During village consultation mention was made of damage to roads and that they should be reinstated as part of the Project.	h. BTC Co. to enforce and monitor contractor reinstatement of community infrastructure. (The process for this is underway)	CCIC BTC Co.	High

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Project impact on land prices	Monitoring of land price to be done	Request by BTC Co to State Land and Cartographic Committee to collate information on land transactions and prices remains unanswered officially.	i. BTC Co to urge the State Land and Cartographic Committee to develop the requested basis for monitoring of land prices	BTC Co.	High
Livelihood Restoration					
Livelihood restoration monitoring	The Project must document relevant indicators of livelihood restoration	BTC Co CLOs have completed a survey over 100 households. An initial analysis has been carried out, but it needs further clarification and analysis.	j. Revisit the analysis to clarify the different tabulations, separate out the impact of compensation on income. Group and tabulate the responses to the open questions.	BTC Co.	Medium
Livelihood restoration monitoring	The Project must document relevant indicators of livelihood restoration	An investigation has been carried out by the BTC Co. CLOs, this needs to be repeated at least one more time before the Completion Audit.	k. Investigation on livelihood restoration of households affected by permanent land acquisition to be repeated in latter half of 2006.	BTC Co.	Medium

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Vulnerable people	Special attention to be paid to ensuring that vulnerable people are not disadvantaged and have the opportunity to share in project benefits	<p>BTC Co. CLOs have carried out an investigation of land affected vulnerable people, this should be repeated at least one more time before the Completion Audit.</p> <p>CIPs present an opportunity to impact on vulnerable people in a positive way- but as vulnerable people are often marginalised, it requires proactive action.</p>	<p>l. BTC Co. to repeat the investigation of how land acquisition impacts have affected vulnerable people. Propose that this investigation be carried out in the latter half of 2006 – mid way from now and Completion Audit.</p> <p>m. BTC Co to continue to work with CIP implementing partners and local municipalities and ijma to ensure that those vulnerable people identified in the list recently developed by CLOs are taken specific consideration of in access to newly established services, particular health services. (This is a repeat of recommendation (j) from the previous review).</p>	BTC Co.	High
RAP Implementation					
Documentation & reporting	Maintain adequate project records	Social KPIs are poorly reported by contractor CCIC	n. BTC Co to require CCIC to provide a complete reporting of social KPIs	CCIC BTC Co.	High

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Social Impacts of Construction					
Employment	Employment must comply with Azeri labour laws and lenders' relevant covenants	<p>The BTC Co. Social Field Co-ordinators have been receiving employment grievances, but effective management of labour issues require further interpretation of labour law to define socially responsible behaviour.</p> <p>BTC Co. should clarify its position to its suppliers/contractors.</p>	<p>o. BTC Co. to define company's policy on social accountability with regard to employment and labour conditions. This should be based on Azeri labour law, but also take into consideration problems of interpretation based on experience of employee grievances so far.</p> <p>p. BTC Co. to develop a strategy that effectively communicates to suppliers/subcontractors social accountability issues with regard to employment and labour conditions.</p>	BTC Co.	High
Local procurement	Maximize local procurement	There has been little procurement from affected villages during construction. While BP Business Unit is now developing a procurement plan for the Operations phase, local procurement opportunities for village and regional centres should be investigated and maximized	q. SRAP Panel to investigate effectiveness of reorganised Enterprise Centre in next review.	SRAP Panel	High

<i>Issue</i>	<i>Project Principles</i>	<i>Performance</i>	<i>Recommendation</i>	<i>By</i>	<i>Priority</i>
Community Engagement and Public Consultation					
NGO monitoring	Information dissemination to civil society and capacity building of local NGOs.	An NGO monitoring exercise was carried out in 2004 by a group of 27 local NGOs.	r. NGO monitoring to continue into Operations with the same NGOs, but a systematic process to be developed of networking the results with civil society.	BTC Co. Monitoring NGOs	Low
Community engagement in Operations.	Civil society must be fully informed of Project activities, particularly where activities may have an impact on people.	Civil engagement during land acquisition and pipeline construction has been satisfactory. This must continue into Operations.	s. BTC Co. to develop community engagement framework for Operations.	BTC Co.	High
Community Investment Programme					
Community Investment Programme	Project affected communities to be given opportunities to share in the benefits of the project	CIP performance has been excellent to date. The initial CIP programme is now complete, a final technical check should be made on the micro-projects.	t. BTC Co. to undertake a final check on micro-projects to ensure that they are functional and that there are no issues of a technical/engineering kind which may lead to safety concerns.	CIP implementing partners and BTC Co.	High

APPENDIX B.1: Notes on Village Consultations and Interviews – Azerbaijan (5th SRAP Review)

This appendix is a note of meetings with villagers only.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
5 September 2005	Ranjibar Village (group meeting of 20 people)	<ul style="list-style-type: none"> - Population – 3,000; population increase due to IDPs. Main farming activity is wheat, poultry and cattle breeding. Some people work in industry in Baku and also in temporary work in Russia. - People aware that as per contract, land is to be returned to them by 31st December 2005, also aware that they will receive an additional six month compensation if land is not returned by that date. Commitment to reinstatement, people mentioned that photographs had been taken of their land and that land will be reinstated to original conditions. - Concern raised about irrigation system - Village people were able to speak confidently about Ijma group and sub-group formulation. Ijma groups started by IRC and then IMC worked with medical sub-group to develop health component of CIP. There had been 18 candidates for the Ijma group and nine were selected through a process of secret voting. The Ijma group consisted of 6 men and 3 women. Criteria for selection included interest in working with people and also the skills to carry out the tasks. - Micro projects implemented through CIP include rehabilitation of water pipelines, water lines, fencing of school yards. Through an education programme, computers have been placed in the schools. - IMC has a provided training and equipment for the local medical centre. Also started the cost recovery programme.
5 September 2005	Pirsaat Village	<ul style="list-style-type: none"> - Population of village is 900 people. It is 1.5km from ROW and there are - The villagers described the CIP process: initial discussions with IRC and then selection of 9 people to community initiative groups. Roles and responsibilities of each person in the group was defined. Leadership and management skills training was given. The community group then worked with villagers to carry out the participatory analysis using methods such as ranking of problems. Community contribution of 25% was made largely through input of labour. NGO MADAD has also carried out training and professional development of teachers; also given teachers training on how to use computers. - Spoke to woman member of the CIG who is also a teacher. She said that she welcomed the CIP process and how for 17 years they had not been able to build a new school, but through the CIP they had achieved this goal. Now they were applying to different NGOs for support for other activities.
5 September 2005	Interview with Internal Affairs Co-ordinator for	<ul style="list-style-type: none"> - Responsible for labour relations, conflict resolution and solution of daily problems. Responsible for labour relations of people along the pipeline from Sangachal to the Georgian Border. - He is based in Mugham camp but contactable by cell phone. Workers on the pipeline normally sign a contract for three months. - He stated that all employment terms are according to Azeri labour laws. - One of the key problems is that employees want to work more than the legally allowed overtime.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
5 September 2005	Karrar Village	<ul style="list-style-type: none"> - Population 2,300 people. - Mainly source of livelihood is arable farming, gardening and cattle-breeding. - One villager complained that CCIC had used his land to gain access to the ROW and had not reinstated the land. The topsoil had been taken off and not replaced. He had made a complaint to BTC CLO which was then passed on to CCIC CLO. The SRAP panel asked the CLO to take down the name of the villager and to investigate the case further. No one else in the village has had a similar problem. - There are 24 land affected households in this village. Some of the people consulted were a little vague about when asked about their understanding of the land hand back and reinstatement. - Ijma group members also consulted, in particular one lady that had taken part in agricultural training. The community had managed to raise 3million mantas for road rehabilitation. IMC has developed a community hospital – almost half the funds for this was from community contribution. - There are wide variations in socio-economic conditions in the village, but the Ijma group was of the view that all sections of the population had been involved in the process. The Ijma group has now formulated other projects which have been sent to different organisations to solicit funding including UNOCAL. - Meeting also held with FINCA representative for Kurdamir area. There are two savings and credit groups in this area with around 8 or 9 persons per group. Most people borrow money for marketing of products, setting up stores etc. - The maternity ward supported by the CIP programme is yet to be complete, awaiting community contribution to complete work on water supply.
6 September 2005	NGO Sulh Representatives	<ul style="list-style-type: none"> - Sulh took part in the NGO capacity building carried out by IRC. Sulh was registered as an NGO in 1998. It carries out training for adult men and women as well as for youths. It found out about the capacity building project through an internet search on the Azeri website. The organisation has a person responsible for fund raising. They drafted a project and submitted it to IRC. Later they met with IRC staff who visited their office, checked files and accounts; they were also tested on how well they worked within the community. - Involvement in the NGO capacity building filled in some gaps in their knowledge, particularly with regard to financial management and report writing. - Initial contact with villages would be through EX-COM reps, municipal heads village heads. - Development of Ijma groups was difficult in areas where they had not worked before such as Kurdamir. Here they had to spend some time convincing people of the merit of formulating an Ijma group. Ijma group members are elected by the people through a very transparent process so even if people who don't get selected are upset about it they are not able to overturn the results. During the time of the Ijma group formulation around 5 people from Sulh are involved in providing assistance to the village. Attempt is made to sections of the community. - Spoke to an Ijma group representative about what attracted him to be involved in Ijma group. The reviewer did not get a clear response but he he did say that the community had voted for him because he is a businessman with experience that would be useful. -

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
6 September 2005	Village Khirdapay	- An extension to school building developed through NGO Sulh as part of NGO capacity building programme. The existing school building was dilapidated and did there were not enough class rooms so had to put different level classes together in one room. The school has a total of 231 students in the age range 6-17 years. They expect the Ijma group to continue. There are three women in the Ijma group. Wants to build a gym for the school and asked if there were funds available to assist them in that.
6 September 2005	Jalal Amanov (IRC CLO)	- Although the CIP programme is complete there are some outstanding issues left in a few areas where villages have not been able to meet their commitments in time.
6 September 2005	Ashagi Laki Village 40-50 village members of which 10 women. Members of municipality and Ex-Com	- Population: 2,500 people. - There is a high awareness of the reinstatement and land hand back procedure. Also aware of restrictions on use after land is reinstated. There is a high level of confidence in the village that land will be reinstated to its original conditions. - The village had experienced some negative impacts during the construction period, for example irrigation channels had been damaged, but these were reinstated very quickly. - There had been no impact on the village roads, the construction company had built its own access roads. Overall there had been close co-operation with the villagers and the construction company. - Main agricultural activity is wheat and grass for cattle breeding. The villagers stated that the land in this area had low productivity. - The villagers spoke positively about the CIP, and how being able to organise themselves (with the help of IRC) to change the school roof inspired them to look at how they could solve other village problems. - None of the villages had been involved in the FINCA programme. They stated that most of farmers had large plots and the size of micro-credit offered by FINCA was not appropriate for them. - Also working with Hayat on the an environmental programme.
6 September 2005	Hapitli Village (9 women and head of municipality)	- The villagers spoke proudly about the CIP programme and how it had helped them to improve the village school, something that had been needed for a long time.
6 September 2005	Yevlak Development Resource Centre (9 people including 3 women)	- This was established by IRC. The DRC was registered in August 2004 as an LLC (limited liability company). It appears that this was done because of new restrictions in Azerbaijan on setting up of NGOs. - The Centre is providing lessons in English and computer skills. - Funding has also been given by USAID and EBRD. - The DRC will operate on a basis of profit generation a percentage of the profits will be retained by the centre and another percentage will be given to the villages. - There is also a US Peace Corps volunteer that is working in the DRC.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
6 September 2005	Samedabad Village	<ul style="list-style-type: none"> - Population-1,500 people. - Good awareness of land hand back procedure and reinstatement. With regard to how they would judge that reinstatement had been carried out properly, they stated that they would go and inspect the land and see how it had been levelled. They mentioned that some area will be taken up by the pipe, excess land will be spread over the fields. - Aware that if land is not reinstated in time, an 6 months compensation will be paid. - Agricultural products here are wheat, grass and cattle - Expressed satisfaction with the Project and that if they had any problem they contacted the CLO. - Local damaged during construction - The Project has brought many benefits to the village. Compensation money was used to construct houses, purchase vehicles, livestock and farming equipment. - CIP programme had been utilised to improve village school - Agricultural NGO OJAG has been carrying our restoration of irrigation systems and this will affect two villages and benefit a total of 65 families. During the village problem ranking this had been ranked third. OJAG was able to mobilise funds from the government irrigation department.
7 September 2005	Yevlak Duzdak Village (22 people of which 12 women)	<ul style="list-style-type: none"> - “we didn’t know what was community, Save the Children Foundation gathered people together and talked about what is community”. This is what one of the participants of the group consultation told the reviewer when talking about the CIP. - Ijma was created on 23 September 2003, and NGO UMID conducted training courses for Ijma group members in how to prepare proposals, establish community groups, sustainability fund etc. - The Ijma group collected funds from the villagers and ‘started solving problems’. First they rehabilitated the village school. - The initial meetings were attended by 90% of the population. The Ijma group consists of 10 people the majority of which are women. There are also 3 youth representatives. Two of the female members of the Ijma group are IDPs –one of which is the accountant for the Ijma group. - In this village the women are very enthusiastic participants of CIP. - A sustainability fund has been created for the school to pay for maintenance etc. Only two families didn’t want to contribute as they didn’t have children, but the rest of the villagers persuaded them. - The municipality was also involved providing cash and equipment. - The school has a 100 children and before could only teach up to 4th grade, but now will be able to teach up to 7th grade. - Other projects that were significant in project prioritisation included: artesian well, cultural house, changes of electrical wire etc. - 5 landowners were affected by the RoW. One elderly landowner claimed that he didn’t know when the land would be handed back. Reinstatement has already started. All the landowners are aware of the restriction on use after land hand back. The compensation money had enabled them to make improvements to their economic conditions. One woman said that she had constructed a house. - No significant negative impact experienced during construction period. There had been some problems with water pipes, but it was resolved very quickly.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
7 September 2005	Yaldili Village (15 people of which 10 women)	<ul style="list-style-type: none"> - Population: 1,300 people. Agricultural activity is mainly wheat and cotton. - In 2003 they created the Ijma action group of which consists of 11 people: 5 women and 6 men. - Their quick impact project was installation of a transformer and electrical conductors. - They are now working with NGO OJAG on developing an artesian well. There was a discussion on previous artesian well that was built as a good will project by one of the contractors, but is placed in a wrong location and does not work – it would require the placement of a very costly pump which the villagers are reluctant to pay for, instead they have asked OJAG to build another artesian well in a different location. It was difficult for the reviewer to get a clear picture of the situation with the artesian wells. - There are 85 farmers whose land was affected by the RoW. They were aware of land entry agreement, but some confusion about land exit agreement. Aware that land would be reinstated, expect to make an assessment about reinstatement by looking at the level of the land after it has been reinstated. - Spoke to a female headed household – she seemed to have been well looked after by the community. She had received her compensation money which she had used to build a house. Previously she had lived at her parents-in-laws house.
7 September 2005	Aran Village	<ul style="list-style-type: none"> - Population 8,000 people. 800 IDPs - Visited IMC medical point. Laboratory equipment, medicine and clothes. The insurance has been implemented. Two types of insurance: family and individual. Families paid 1,500 manats per month whilst an individual membership to the scheme cost 1,000 manat per month. More than a 100 people have joined the insurance scheme. The medical staffs view is that the scheme has made health check ups accessible to the poor. - The medical point is open 7-8 hours per day from 9-15.30
7 September 2005	Goranboy Eyvazlilar Vilalge (21 people of which 19 women)	<ul style="list-style-type: none"> - Population: 529 people. Main agricultural activity is cotton and wheat growing. - Villagers said there had been no activity here before CIP. - Spoke to Ijma group members who said that initially it had been difficult to convince the people about CIP, but after they saw some activity they become convinced. - The whole village came together to select the Ijma group. There were 15 candidates and 11 were selected. Head of Ijma group is the school teacher. - The Ijma group members talked about the training and the PRA exercises and village problem analysis. The projects were ranked in the following order: 1) school, 2) drinking water, 3) kindergarten, 4) irrigation, 5) electrical system. - AIM has been working in village on agricultural issues. - The view of the villagers is that from a socio-economic point of view this is a fairly homogenous village and that the CIP had involved a cross-section of the population. - The village is 800m from the RoW. They has not experienced any negative impact during the construction period.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
7 September 2005	Borsunlu Village	<ul style="list-style-type: none"> - Population: 3,468 people; 1,111 households. - They had created something similar to the community action groups before SCF came along so it was easy to reformulate the Ijma group. - They have built a large community centre in which they also hope to hold events such as weddings etc. - They spoke about the challenges of getting people convinced enough in the programme to make a contribution. Some people did not work so could not be expected to contribute. Initially people had been sceptical about the Ijma group and CIP, but once they started to see activities they were more willing to be involved. The Ijma group has 13 members of which 5 are women. - They expect their Ijma group to continue after CIP and intend to also develop a DRC (Development Resource Centre). - The medical point supported by IMC was also visited. Last year they had carried out refurbishments, constructed an annexe and a lab. IMC provided equipments and training to the nurses. - Medical Insurance scheme was started in April 2005 and to date has 267 members. They expect the scheme to grow through word of mouth.
8 September 2005	SalogluVillage (15 people of which 3 women)	<ul style="list-style-type: none"> - Population: 1,452 people - Irrigation project built through CIP - Land affected farmers were aware of reinstatement and land hand back and that if this did not occur on time they would be entitled to a further six month compensation. Also had good understanding on restriction on use after land hand back. - However there was some confusion regarding the fact that they have already been compensated for the restriction on use of land after land hand back. - No negative construction impacts - CIP programme: 12 people in Ijma group (6 men, 4 women and 2 schoolgirls). During selection process there had been 16 candidates. Approx 600 village people had been present during the selction. - NGO UMID carried out training on PRA, problem solving, sustainability funds etc.) The village was divided into 7 parts and an Ijma group member worked with the people in each of the seven areas. - Every household contributed to the fund –initially people had been sceptical but once they saw that something was actually happening they became supportive. - The main problem identified was irrigation. Each family makes a contribution of 2,000 manats per month to the sustainability fund of the irrigation scheme. - There are socio-economic variations in the village, but the villagers were of the opinion that all sections of the population had an opportunity to take part in the CIP. - The villagers said that from their experience they would recommend that an Ijma be created in each village.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
8 September 2005	Bozalganli Village	<ul style="list-style-type: none"> - Population 4,000 people. Planting and cattle breeding is main economic activity. - This village was part of the local NGO capacity building programme. The local NGO supported is the SSIPAU (Social Strategic Investigations and Analytical Public Unit). - The four main problems identified were: 1) lack of a community centre, 2) gas pipe, 3) water supply, 4) medical supply. The community centre was selected because there is no place to sit and talk in the village and hold meetings. - The municipality contributed 2million manats to the project (the land belongs to the municipality). - The Ijma group consists of 8 people (7 men and 1 woman). - There are 78 land affected farmers in the village. They are aware of the land exit agreements and reinstatement and talked about the need for the top soil to be levelled. In terms of actually making an assessment on whether reinstatement had been carried out properly they expected to do that just through visual assessment. - No significant negative impacts from construction, the damage to the village road has been repaired. There were no outstanding grievances in the village. - SSIPAU spoke about their experience of taking part in the capacity building programme. They had benefited from a) organisation skills, b) documentation c) capacity in interacting with local population, d) management. With regard to their interaction with the community and implementation of the programme, the most difficult had been overcoming people's scepticism until a project had been delivered. There was close cooperation in this Ijma between the Ijma and the municipality.
8 September 2005	Gilingbeyli Village (30+ people)	<ul style="list-style-type: none"> - The villagers spoke confidently about the CIP process. The Ijma group was selected through a voting process. After problem identification the projects were ranked. Water supply was identified as the main problem and an artesian well was implemented which will directly benefit 86 families. O& M will be from contribution from the community and the municipality. - There are 101 families that were affected by land take for the RoW. They seemed to have good awareness of the land hand back and exit strategy. - An investigation is currently being carried out in this village on allegations of corruption (see main report), the reviewer decided that as the matter was being investigated it would be better not to discuss this further at this stage.

<i>Date</i>	<i>Organization / Participants</i>	<i>Key Issues</i>
9 September 2005	Yuxari Agasibeyli	<ul style="list-style-type: none"> - Population: 1,140 people , 46 households - Some variations in understanding of when land will be handed back, but expect it to be reinstated. They did not seem to have a problem regarding how they would assess that the land had been reinstated to original condition –they stated that they are farmers and they know how to judge the land. Villagers consulted indicated a good understanding of the restrictions on the use of land. - Every affected person has been compensated, although there are three who felt that the compensation was not enough and the case of one of these is being decided in the courts. - People who had received compensation were able to improve their socio-economic conditions. The money had been used in a variety of ways: to pay for marriage of children, to purchase a car, investments in agricultural activities. - Negligible negative impact from construction activities, there had been some damage to irrigation but this has been fixed. - CIP: In June 2004 around 200 people gathered in the local club and the Ijma group was created. There were 25 candidates and 13 people were selected. These people were very enthusiastic to work in the Ijma group. The Ijma group was given training by UMID and SCF, on how to carry out PRA, write proposals etc. The projects prioritised in order of importance are: electricity supply, drinking water, roads rehabilitation, school rehabilitation, refurbishment of medical point, gas pipeline. Two new transformers and electrical wiring has been installed. - NGO Hayat has started environmental programme in the village. - Following the success of the CIP, additional projects were implemented with funding from two businessmen in the area. - Ex-Comm and municipality were very much involved in the CIP.
9 September 2005	Seyidler Village	<ul style="list-style-type: none"> - Population: 659 people - Ijma group had representatives from Ex-comm, municipality, teachers and also representatives from the health sector. Although a number of different issues were prioritised including irrigation, roads, electricity supply and establishment of medical point, the project that was selected was improvement of the local school. The people said they had selected this project because they felt that the future of their village was in the education of the children. - The municipality contributed with cash and material. - Other NGOs working in the village are OJAG and Hayat. - FINCA visited the village, but there is no activity here as the services available are not suitable for their needs. - 28 families were affected by land take for the RoW. They were able to use their compensation to improve their socio-economic condition – many people invested in their farming activities by buying cattle. Some families who had to live together could now buy separate homes. - No negative impact from the construction.