

SOUTH CAUCASUS PIPELINE EXPANSION PROJECT

GUIDE TO LAND ACQUISITION AND COMPENSATION – Azerbaijan, AMENDMENT 1

This is an amendment to the **Guide to Land Acquisition and Compensation (GLAC)** prepared for the **South Caucasus Pipeline Expansion (SCPX)** project activities in Azerbaijan. This document updates the version of the GLAC issued in 2015 to account for updates to the land rental and crop compensation rates and is applicable to new land acquisition undertaken from April 1st, 2017 onwards. It was prepared by SCP Co. based on inputs from independent consultants specialised in land acquisition.

The equivalent information in the GLAC, 2015 are updated by the information below. All other information as it relates to land acquisition and compensation within the GLAC, 2015 remains unchanged and applies to all new SCPX land acquisition and compensation activities. This Amendment does not apply to existing lease agreements or user agreements.

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This document is presented in English and Azerbaijani languages. In the event of any conflict or disagreement in interpretation of any provisions between these different language versions, the English version shall be the definitive, prevailing document.

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APPENDIX 1 – PROJECT COMPENSATION RATES (UPDATED FOR 2017)

Project Land Rental Rate
For one year: 100% of the average agricultural yearly income

Section 1 (Absheron, Agsu, Garadagh, Hajigabul)	Section 2 (Agdash, Goranboy, Kurdamir, Ter Ter, Ujar, Yevlakh)	Section 3 (Agstafa, Samukh, Shamkir, Tovuz)
AZN per ha per year	AZN per ha per year	AZN per ha per year
1 580	3 770	5 240

Project Livelihood Restoration Rate
Three times 30% of the average yearly agricultural income, paid once

Section 1 (Absheron, Agsu, Garadagh, Hajigabul)	Section 2 (Agdash, Goranboy, Kurdamir, Ter Ter, Ujar, Yevlakh)	Section 3 (Agstafa, Samukh, Shamkir, Tovuz)
AZN per ha	AZN per ha	AZN per ha
1 422	3 393	4 716

CROPS

Project Annual Crop Compensation Rates

Crop name in English	Crop name in Azerbaijani	2017 Project Crop Rate per hectare in Azerbaijan Manat for one growing season		
		Section 1	Section 2	Section 3
Bean	Lobyə	22 000	22 000	22 000
Beetroot	Çuğundur	30 000	30 000	30 000
Broom	Süpürge	6 848	6 848	11 803
Cabbage	Kələm	6 765	6 765	16 365
Cotton	Pambıq	871	871	871
Garlic	Sarımsaq	18 779	18 779	46 200
Irrigated Grazing Land	Biçənək	643	643	760
Lucerne*	Yonca	4 746	8 407	9 174
Maize	Qarıdali	2 490	2 490	3 083
Melons	Bostan məhsulları	3 776	3 897	6 671
Onion	Soğan	7 070	7 070	16 330
Pasture	Örüş	203	203	203
Pepper	Biber	24 000	24 000	24 000
Potato	Kartof	5 335	5 335	27 833
Rice	Düyü	2 503	2 503	2 503
Sunflower	Günəbaxan	2 906	2 906	4 701
Tobacco	Tütün	3 033	3 033	3 033
Tomato	Pomidor	5 314	7 034	5 314
Vegetable	Tərəvəz	9 520	13 216	19 117
Wheat	Taxıl	469	785	1 304

Section 1 includes the Districts of: Absheron, Aghsu, Garadagh and Hajigabul.

Section 2 includes the Districts of: Agdash, Goranboy, Kurdamir, Ter Ter, Ujar and Yevlakh.

Section 3 includes the Districts of: Agstafa, Samukh, Shamkir and Tovuz.

*The compensation rate for lucerne is calculated for three years.

Project Perennial Crop Compensation Rates
Adult Productive Fruit Trees – in Azerbaijan Manat for one tree

Tree Name	Section 1 (Absheron, Agsu, Garadagh, Hajigabul)			Section 2 (Agdash, Goranboy, Kurdamir, Ter Ter, Ujar, Yevlakh)			Section 3 (Agstafa, Samukh, Shamkir, Tovuz)		
	Adult	Non-Productive	Seedling	Adult	Non-Productive	Seedling	Adult	Non-Productive	Seedling
Alycha	443	89	10	443	89	10	443	89	10
Apple	121	24	10	164	32	10	164	32	10
Apricot	553	110	10	423	84	10	423	84	10
Cherry	445	89	10	445	89	10	715	143	10
Date	194	39	10	410	82	10	626	125	10
Fig	625	125	10	496	99	10	625	125	10
Grape	135	27	10	135	27	10	192	39	10
Medlar	38	11	10	38	11	10	92	11	10
Nut	4 698	940	10	3 092	618	10	4 698	940	10
Peach	283	56	10	283	56	10	391	78	10
Pear	391	78	10	391	78	10	391	78	10
Persimmon	227	45	10	281	56	10	497	99	10
Plum	497	99	10	443	89	10	605	121	10
Pomegranate	982	197	10	982	197	10	982	197	10
Quince	713	143	10	983	197	10	1 253	251	10
Red Cherry	227	45	10	308	62	10	389	78	10
Walnut	3 092	618	10	3 895	780	10	3 092	618	10

Other trees	Adult	Young	Seedling	Adult	Young	Seedling	Adult	Young	Seedling
Mulberry	228	46	10	228	46	10	228	46	10
Oak, Poplar, Acacia, and other timber and decorative trees	41	20	10	41	20	10	41	20	10

These rates apply to adult and productive trees planted according to normal agronomic practice, particularly with normal spacing between rows and between trees on one row. Plantations that are not viable will not be compensated. This can be the case, for example, if the density is above common densities recommended in Azerbaijan (see Guide to Land Acquisition and Compensation Appendix 2), or if the trees have been recently planted outside of normal planting season.

As shown in the table above:

- *Young trees (seedlings) of one year or less (as recorded at the time of initial inventory) will be compensated at 10 Azerbaijan Manat per tree regardless of the species.*
- *Non-productive trees of more than one year will be compensated at 20% of the rate for productive trees.*