



SOUTH CAUCASUS PIPELINE – EXPANSION PROJECT

GUIDE TO LAND ACQUISITION AND COMPENSATION - Azerbaijan

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This document is the **Guide to Land Acquisition and Compensation** prepared for the **South Caucasus Pipeline Expansion (SCPX)** project activities in Azerbaijan. It was prepared by SCP Co. based on inputs from independent consultants specialised in land acquisition. It is intended to provide affected land owners and land users, as well as local authorities and the public at large with practical information pertaining to the land acquisition and compensation process that the project will involve. It includes a summary description of the project; the presentation of its land requirements; the key principles that SCP Co. commit to apply to the land acquisition and compensation process; details on compensation rates and the different stages in the process; and a description of the grievance procedure.

This document is also available at www.bp.com/caspian.

This document is presented in the English and Azerbaijani languages. Effort has been made to confirm that the Azerbaijani translation of this document is an accurate and true reflection of the intent and meaning of its English original. In the event of any conflict or disagreement in interpretation of any provisions between these different language versions, or any subsequent translations, the English version shall be the definitive, prevailing document.

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1 THE SCPX PROJECT

The SCP Company is planning to develop an expansion to the South Caucasus Pipeline (SCP). Called “SCPX”, this project aims at increasing the capacity of the existing SCP pipeline, which originates in Sangachal near Baku in Azerbaijan and ends at the Georgia Turkey border near Akhaltsikhe (Georgia). SCP has been in operation since 2006 and transports gas produced in the Azerbaijan field of Shah Deniz located in the Caspian Sea. The expansion project involves new sections of pipeline and associated facilities, which will be constructed at different locations in both Azerbaijan and Georgia. Once SCPX is complete, the gas transport capacity of the whole SCP pipeline system will be increased.

In Azerbaijan, the work will involve a “pipeline loop”, i.e. a new section of pipeline, shown in red on the sketch below, which will start at a tie-in to the existing SCP and will end at the border with Georgia.

The SCPX Project is a larger diameter pipeline loop which has a total length of approximately 424km in Azerbaijan and 62km in Georgia. The loop is mainly intended to allow for an increase in the gas flow. The new section of pipeline will be generally parallel to the existing SCP route, with a few deviations necessary for technical reasons. The pipeline will be buried nominally one metre below ground level, and the land will be restored after construction.

In addition, there will be new permanent above-ground installations. The largest facilities are located in Georgia (two compressor stations, and a pressure reduction and metering station). In Azerbaijan, there will be smaller facilities only, including a tie-in and pigging station, and five block valves along the pipeline route at SCP KP 78, 152, 227, 298 and 386.

Land will also be needed for temporary facilities, which will be required for the construction period only (approximately three years). For construction planning purposes, the pipeline route has been divided into 5 sections, as follows:

- Goltug to Kurdemir (SCP KP23–151).
- Kurdemir to Turianchay (SCP KP151–202).
- Turianchay to Borsunlu (SCP KP202–292).
- Borsunlu to Zeyamchay (SCP KP292–363).
- Zeyamchay to Georgian border (SCP KP363–442).

Each of these five sections will include a construction camp, pipe storage yard(s), maintenance yards, rail spurs and a number of working areas required at road, rail, river, and other crossings.

The pipeline and associated facilities will be built to international standards. During the construction period, and continuing into operations, there will be a programme of regular surveillance.

Construction works will begin in 2014 and operations are likely to begin in 2018. Most of land acquisition activities are scheduled to take place in 2014 and 2015.



2 PROJECT LAND REQUIREMENTS

The project will need land for (1) the construction and operation of the pipeline, (2) the construction and operation of above ground installations, and (3) temporary facilities, which will be used for the construction period only, including construction camps, pipe storage yards, access roads, land required at certain crossings, etc. Land requirements are outlined in the following table. These numbers may vary as the technical design is being refined.

SCPX Land Requirements	Estimated Land Area
Pipeline: Construction corridor (approximately 36m wide)	1,707 hectares
Permanent facilities: (Tie in and pigging station and five block valves)	2 to 3 hectares
Temporary construction facilities (camps, storage yards, working areas at crossings)	195 hectares

PIPELINE CONSTRUCTION CORRIDOR AND PROTECTION ZONES

Land required for construction and operation of the SCPX pipeline includes:

- A "Construction Corridor", normally 36 metres in width, will be needed for the duration of construction; in most cases, part of this Construction Corridor is on land that was previously compensated for the construction and operation of BTC and SCP. In some cases, for example at crossings, the Construction Corridor has to be wider for technical reasons.
- "Protection Zones", in a total width of 30 metres, which include Zone 1 (8 metres in width or 4 metres on either side of the pipeline centreline) and Zone 2 (22 metres in total width, or 11 metres on either side of Zone 1).

Restrictions applicable in Protection Zones are defined by Decree n°166-19 of the Azerbaijan Republic Cabinet of Ministers:

- In Zone 1, building construction, tree planting, deep ploughing, and use of explosives are prohibited.
- In Zone 2, construction of any buildings is prohibited but normal agricultural activities are permitted.

Applicable regulations of the Azerbaijan Republic also establish other restrictions, as follows:

- It is prohibited to build hospitals, schools, dwellings higher than three storeys, industrial and agricultural buildings and any public facilities within 385m distance from both sides of the central axis of SCP
- Within a 500m wide Consultation Zone, SCP Co. must be notified in advance of any major activities, including for example construction or refurbishment of infrastructure facilities, blasting works, piling, major earth moving activities, and changes affecting water courses (canals, rivers, lakes).

In summary – What are the Construction Corridor and Protection Zones?

- *The Pipeline Construction Corridor (normally 36m in width) will be leased from current landowners and occupied for the duration of the construction period. At the end of the construction period, it is reinstated and handed back to landowners.*
- *Protection Zones are established for the operations period:*
- *In Zone 1, construction and tree plantation are prohibited;*
- *In Zone 2, construction of buildings is prohibited but normal agricultural use can continue.*

PERMANENT ABOVE GROUND INSTALLATIONS

Land permanently required for Above Ground Installations will be acquired on a permanent basis. Its usage will not be handed back to former owners or users after construction is complete.

TEMPORARY FACILITIES

Land required for temporary facilities will be leased from current owners for the duration of construction and then handed back to these owners after construction and reinstatement.

ORPHAN LAND

In some cases, sections of land may be left on either side of the Construction Corridor that will not be required for the Project and would normally not be compensated. If small remaining plot parts are made uneconomic, they may be eligible to compensation as “orphan land” subject to conditions. Whether a parcel qualifies as “orphan land” will be reviewed on a case-by-case basis based on a request lodged by the landowner and/or land user. The following criteria will be considered in this review:

- Size, dimensions and shape of the orphaned part of the plot.
- Access restrictions and whether these will only last for the duration of the construction period or may be permanent (which is not anticipated to occur except in very exceptional cases).
- Size and nature of mechanical equipment typically used for cultivation on this plot and whether such equipment reasonably can be used given the size, shape and dimensions of the orphaned part of the plot.
- Restrictions to irrigation or drainage during the construction period.

In summary – What is Orphan Land?

- *Orphan land is land that is located outside of the normal compensation area but is made uneconomic by the occupation or acquisition of part of the plot*
- *Orphan land may be eligible for compensation*
- *Land owners who deem their unaffected land may qualify as orphan will have to lodge a request to the SCP Co. Land Acquisition Team, which will be reviewed on a case-by-case basis.*

3 COMPENSATION PRINCIPLES

The key compensation principles that SCP Co. commits to for SCPX are the following:

- Land acquisition will be carried out in compliance with Azerbaijan law and the Host Government Agreement between the Government of Azerbaijan and SCP Co., and will be guided by international standards.

- Market value will be used for the calculation of land and crop compensation.
- Compensation rates presented in this document are applicable to 2014 but land acquisition will also take place in 2015 and in 2016. At the end of each year, an update will be carried out, and where market values have increased, compensation rates will be increased accordingly. Where market values have not changed, or have decreased, compensation rates will not be changed. The update is based on official data published by the State Statistical Committee of the Republic of Azerbaijan (AzStat).
- Any land used by the Project on a temporary basis will be reinstated to its previous condition; specifically, agricultural land will be reinstated such that previous agricultural activities can resume. Details on the associated process are presented on page 8 of this document.
- Affected landowners and land users will have access to a transparent grievance mechanism.
- Where the land owner and the land user are different persons, the land owner will be entitled to compensation for land and for restrictions, and the land user to compensation for affected crops and livelihood restoration.
- Where land users' rights are not registered, they will be assisted to register their claims upon land, as applicable.
- Vulnerable people affected by the land acquisition process will be identified and specifically assisted as needed.

PERMANENTLY ACQUIRED LAND

Permanently Acquired Land includes land required for the tie-in and pigging station and for the five block valves. Compensation principles are the following:

- Permanently Acquired Land will be purchased from its current owners.
- Compensation for permanently acquired land will include the following three elements, as applicable:
 - o Compensation for land at the Project Land Acquisition Rate (see applicable rates in Appendix 1 to this GLAC).
 - o Compensation for any standing annual or perennial crops at the Project Crop Rates (see applicable rates in Appendix 1 to this GLAC).

- Compensation at replacement value for structures or developments on land, if any, based on a case-by-case evaluation conducted by a certified valuer.
- Where permanently acquired land belongs to the State or to municipal entities, land users, if any, will be compensated for crops at the Project Crop Rates.

In summary – Compensation for permanent acquisition of land

- Compensation for land at Project Land Acquisition Rate
- Compensation for any standing crop at Project Crop Rates
- Compensation for any developments or structures, valued on a case-by-case basis.

PIPELINE CONSTRUCTION CORRIDOR

In the 36 metre wide Construction Corridor, the following compensation will be paid:

1. Land rental: The “Project Land Rental Rate” compensates for temporary occupation of land during construction, including the loss of agricultural income related to this occupation of the land. The Project Land Rental Rate is calculated based on the yearly agricultural income expected in the area for the typical mix of crops, multiplied by the number of years of the construction period (typically three years).
2. Livelihood restoration: This additional allowance is meant to compensate for any loss of agricultural productivity after reinstatement. The “Project Livelihood Restoration Rate” is calculated as 30% of the annual agricultural income expected in the area for the typical agricultural rotation, multiplied by three years, i.e. 90% of the annual agricultural income.
3. Crops: Compensation at the “Project Crop Rate” will be paid for standing annual or perennial crops that cannot be harvested before the Project enters the land.

In case the land owner and land user are different persons, the distribution of the compensation is the following:

- To Land Owner: Land Rental
- To Land User: Livelihood Restoration and Crop Compensation.

PIPELINE PROTECTION ZONES

The Protection Zones include:

- Zone 1: An eight metre wide strip at the centre, which may be accessed during operations by SCP Co. for maintenance or emergency intervention.
- Zone 2: Two eleven metre wide strips on both sides of Zone 1, where certain restrictions are applicable.

Compensation for land in the Protection Zone includes the following elements:

1. Compensation for restrictions in Zone 1: 60% of the Project Land Acquisition Rate, applied to the 8m strip (4m on both sides of the pipeline - see the rates at the end of this GLAC).
2. Compensation for restrictions in Zone 2: 20% of the Project Land Acquisition Rate, applied to the two 11m strips on both sides of the 8m central strip.

In some cases the SCPX corridor overlaps with the BTC/SCP corridors, which were already compensated for in 2003-2005. Compensation for restrictions will not be paid for land that was already compensated for long term restrictions in the BTC/SCP corridors. Additional compensation for restrictions will be paid if land within the BTC/SCP corridors is placed in a more restrictive category and becomes subject to additional restrictions. Land in the BTC/SCP corridors that falls within the SCPX construction corridor will be compensated at applicable land rental, livelihood restoration and crops (if applicable) rates given in this document.

ORPHAN LAND

Non affected land adjacent to the Construction Corridor may be compensated if it qualifies as “orphan land” based on a case-by-case review and upon request by the landowner to SCP Co.

4 COMPENSATION RATES

BASIS OF COMPENSATION RATE CALCULATION

All affected assets are compensated at replacement value.

It is important to note that the method of compensation calculation is slightly different from that applied for the previous BTC/SCP pipelines. However, the same factors are taken into consideration and the overall result is more favourable (or at least as favourable) to the affected landowners and land users.

All rates are provided in Appendix 1 to this GLAC.

PROJECT LAND ACQUISITION RATES

Project land acquisition rates are calculated for each district intersected by the SCPX pipeline based on the price of recent land transactions.

PROJECT LAND RENTAL RATES

Project land rental rates and livelihood restoration rates are calculated for three agro-climatic areas intersected by the SCPX pipeline:

- Section I: districts of Absheron, Agsu, Garadagh, Hajigabul;
- Section II: districts of Agdash, Goranboy, Kurdamir, Ujar, Yevlakh;
- Section III: districts of Agstafa, Samukh, Shamkir, Tovuz.

PROJECT CROP RATES

Project compensation rates for annual crops are calculated for the three agro-climatic sections mentioned above, which are defined to reflect varying productivity and market conditions along the pipeline route.

Compensation rates for fruit trees are calculated for each district intersected by the Project. A specific rate applies to immature trees, i.e. trees under one year of age (as recorded at the time of initial inventory). Trees that are obviously not viable because they are not planted according to normal agronomic practice will not be compensated. This may apply, for example, to trees that are planted in excessive densities that would make the plantation unviable. Normal tree densities based on agronomic practice in Azerbaijan are provided in Appendix 2 to this GLAC.

COMPENSATION FOR OTHER ASSETS

Other assets that may be affected, such as buildings, channels, drains, hydraulic structures, etc. will be valued on a case by case basis.

In summary – Compensation Rates:

- *Compensation rates are based on replacement value*
- *Compensation rates for land acquisition are calculated based on the current market value observed in each district*
- *Compensation rates for land rental and livelihood restoration are calculated based on the average agricultural income that one can expect from the land in three agro-climatic zones*
- *Compensation rates for crops are based on market prices observed in the three agro-climatic zones reflecting the pipeline route. A specific rate will be applied to immature trees, where applicable.*

5 COMPENSATION PROCESS

IDENTIFICATION AND FIELD INVENTORY

Land Acquisition Teams first identify affected land parcels in the Public Registry and check available data about ownership.

Representatives of the Land Acquisition Teams visit all affected landowners and users whose land is identified as located in the pipeline corridor. The team meets with landowners/users to explain the process on an individual basis and visits the potentially affected plot in the presence of the landowner and/or land user to carry out a detailed inventory and inspection of the land, including crops and developments. The inventory act is submitted to the landowner and/or land user for signature and forms the basis for calculating the compensation.

CALCULATION OF COMPENSATION

Based on the agreed inventory, compensation is calculated for land acquisition, land rental, livelihood restoration, crops, and restrictions, as applicable, according to the rates in this GLAC. Developments on land, as well as any structure, are valued on a case-by-case basis.

AGREEMENT

Once the compensation that is owed to a landowner or user has been calculated, the owner or user receives the proposed agreement. It is based on the field inventory and the rates, spells out calculations, and includes a map of the affected plot.

All efforts are made to reach a mutually acceptable agreement, but in situations where the negotiation cannot be settled at this stage a suitable document will be developed by a notary, confirming that an agreement could not be reached. Situations where no agreement is reached are handled per section 6 of this GLAC.

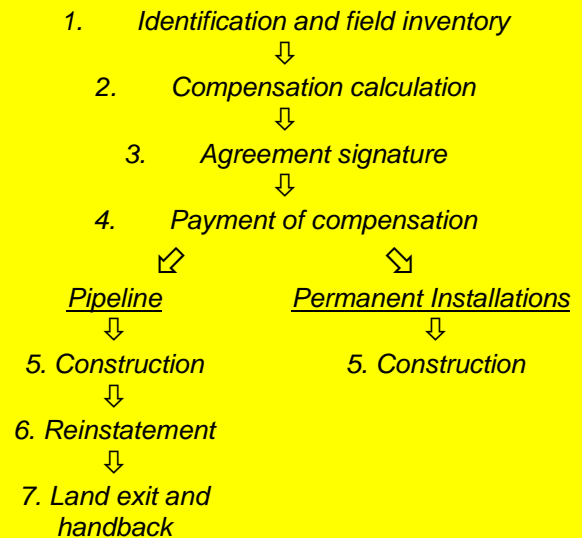
Payment is made after signature of the agreement and before entry into land for Project construction.

LAND EXIT PROTOCOL AND HAND BACK

After construction and reinstatement are complete, the Land Acquisition Team and the construction contractors carry out an exit inspection with the land owner/user of his/her land. This inspection aims to ensure that the land has been left in a suitable state such that previous agricultural activities can resume on the land, with certain safety restrictions in Protection Zones 1 and 2. Subject to the consent of the land owner, the affected land plot is handed back to him/her for agricultural activities.

During the exit inspection the landowner/user receives information in respect of permissible and restricted activities on the land plot, and contact details of the team responsible for the long-term monitoring of the project. The land exit protocol includes this information and is signed by the construction contractor and the affected landowner or land user, and by SCP Co. and Government Representative. This protocol confirms that all parties are satisfied with the quality of the reinstatement.

In summary – Land Acquisition Process:



6 GRIEVANCES

ABSENCE OF AGREEMENT

If no agreement is reached on compensation, there are two possible options:

- Either, if technically possible, the pipeline is rerouted to avoid the plot of land for which no compensation agreement was reached; in such cases, the process described above takes place again with the landowner/user(s) whose land is affected by the new route.
- Or Land Acquisition Teams resort to compulsory acquisition for State needs, according to the laws of Azerbaijan.

GRIEVANCE PROCEDURE

The project will attempt to resolve grievances through mutual agreement, rather than through the judicial system. A grievance procedure has been developed by SCP Co. following the following principles:

- Any grievance is registered and acknowledged receipt of within 7 calendar days of its receipt, responded to by SCP Co. within 30 calendar days of its receipt, and tracked until it is closed.

The grievance procedure includes a first level of review internal to SCP Co.; within 30 days of receipt SCP Co. reviews the grievance, checks documentation, does verifications in the field if needed, and proposes a resolution to the complainant.

- If this proposed resolution is not accepted by the complainant, the complainant can address the grievance to the relevant District Complaint Solving Commission, and/or if necessary to an external mediation body, which in turn reviews the grievance, hears both parties, and proposes a resolution; if this resolution is accepted by SCP Co, it is proposed in writing to the complainant.
- If this second proposed resolution is not accepted by the complainant, either party can resort to the judicial system.

This grievance procedure does not prevent complainants from exercising their rights under Azerbaijan law, including by applying to a Court of Law at any stage.

The following avenues are available to lodge a complaint or grievance:

- SCP Co. Land Officers or Community Liaison Officers, verbally or in writing
- SCP Co. Baku office in writing:
BP Azerbaijan, Xazar Centre
Port Baku
153 Neftchilar Avenue
AZ1010 Baku, Azerbaijan

In summary – Grievances:

- *An amicable grievance procedure is established by SCP Co. to handle any grievance related to the SCPX land acquisition and compensation programme in an amicable manner rather than applying to Justice*
- *Any grievance is acknowledged receipt of in writing within 7 calendar days and a first resolution is proposed by SCP Co. within 30 calendar days*
- *If the complainant is not satisfied with the proposed resolution, he or she can apply to the District Complaint Solving Commission, and if necessary to an external mediation body who also proposes a resolution after hearings and verifications*
- *If the complainant is still unsatisfied, he or she can apply to Justice (and would be able to do so at any time).*

APPENDIX 1 – PROJECT COMPENSATION RATES

LAND

Project Land Acquisition Rates
Permanent Acquisition of Land (Permanent Facilities)
Replacement value plus 20% Bonus per Azerbaijan Law
(the bonus is already included in the rates below)

District	Project Compensation Rate per hectare
	AZN (Azerbaijan New Manat)
Agstafa	30 020
Samukh	30 020
Shamkir	30 020
Tovuz	30 020
Goranboy	27 115
Yevlakh	24 210
Agdash	22 273
Kurdamir	22 273
Ujar	22 273
Agsu	19 368
Hajigabul	14 526
Garadagh	9 684
Absheron	9 684

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, Ujar, Yevlakh)	Section 3 (Agstafa, Samukh, Shamkir, Tovuz)
AZN per ha per year	AZN per ha per year	AZN per ha per year
1 530	3 500	4 880

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, Ujar, Yevlakh)	Section 3 (Agstafa, Samukh, Shamkir, Tovuz)
AZN per ha	AZN per ha	AZN per ha
1 377	3 150	4 392

Project Land Restriction Compensation Rate
for Long-Term Restrictions in the Pipeline Corridor (8m strip)

60% of the Project Land Acquisition Rate in Restriction Zone 1
and 20% of the Project Land Acquisition Rate in Restriction Zone 2

District	Project Restriction Rate - Restriction Zone 1 (8m strip)	Project Restriction Rate - Restriction Zone 2 (11m wide on both sides of the 8m strip)
	AZN / ha	AZN / ha
Agstafa	18 012	6 004
Samukh	18 012	6 004
Shamkir	18 012	6 004
Tovuz	18 012	6 004
Goranboy	16 269	5,423
Yevlakh	14 526	4 842
Agdash	13 364	4 455
Kurdamir	13 364	4 455
Ujar	13 364	4 455
Agsu	11 621	3 874
Hajigabul	8 716	2 905
Garadagh	5 810	1 937
Absheron	5 810	1 937

CROPS

Project Annual Crop Compensation Rates

Crop name in English	Crop name in Azerbaijani	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	25 000	25 000	25 000
Broom	Süpürge	6 714	6 714	11 572
Cabbage	Kələm	6 632	6 632	16 044
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	Qargidalı	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	Bibər	24 000	24 000	24 000
Potato	Kartof	4 446	4 446	23 194
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, Agsu, Garadagh and Hajigabul.

Section 2 includes the Districts of: Agdash, Goranboy, Kurdamir, 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, Ujar, Yevlakh)			Section 3 (Agstafa, Samukh, Shamkir, Tovuz)		
	Adult	Non-Productive	Seedling	Adult	Non-Productive	Seedling	Adult	Non-Productive	Seedling
Alycha	410	82	10	410	82	10	410	82	10
Apple	112	22	10	152	30	10	152	30	10
Apricot	512	102	10	392	78	10	392	78	10
Cherry	412	82	10	412	82	10	662	132	10
Date	180	36	10	380	76	10	580	116	10
Fig	579	116	10	459	92	10	579	116	10
Grape	114	23	10	114	23	10	163	33	10
Medlar	35	10	10	35	10	10	85	10	10
Nut	3 670	734	10	2 416	483	10	3 670	734	10
Peach	262	52	10	262	52	10	362	72	10
Pear	362	72	10	362	72	10	362	72	10
Persimmon	210	42	10	260	52	10	460	92	10
Plum	460	92	10	410	82	10	560	112	10
Pomegranate	909	182	10	909	182	10	909	182	10
Quince	660	132	10	910	182	10	1 160	232	10
Red Cherry	210	42	10	285	57	10	360	72	10
Walnut	2 416	483	10	3 043	609	10	2 416	483	10
Other trees	Adult	Young	Seedling	Adult	Young	Seedling	Adult	Young	Seedling
Mulberry	200	40	10	200	40	10	200	40	10
Oak, Poplar, Acacia and other timber and decorative trees	40	20	10	40	20	10	40	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 Appendix 2 below), 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.*

APPENDIX 2 – TREES – NORMAL DENSITIES IN AZERBAIJAN FOR THE MOST COMMON SPECIES

Species and Variety	Distance between rows (metre)	Spacing between plants on one row (metre)
Apple – High varieties	3.5 to 5.0	3.0 to 4.5
Apple – Medium varieties	3.0 to 4.5	2.5 to 4.0
Apple – Low varieties	3.0 to 4.5	2.0 to 3.5
Apple – Spur varieties	3.0 to 4.5	1.5 to 2.5
Pear – High varieties	3.5 to 5.0	3.0 to 4.5
Pear – Medium varieties	3.0 to 5.0	2.5 to 4.0
Pear – Low varieties	3.0 to 4.5	2.0 to 3.0
Peach	4.0 to 6.0	2.5 to 4.0
Persimmon	5.0 to 8.0	4.0 to 5.0
Quince	3.5 to 6.0	3.0 to 4.0
Plum and cherry plum	3.5 to 7.0	3.0 to 4.0
Apricot	4.0 to 8.0	4.0 to 5.0
Cherry	5.0 to 7.0	3.0 to 5.0
Sweet cherry	5.0 to 8.0	4.0 to 5.0
Almond	4.0 to 7.0	4.0 to 5.0
Pomegranate	3.0 to 5.0	4.0 to 5.0
Fig	4.0 to 6.0	3.0 to 4.0
Nut	5.0 to 6.0	3.0 to 4.0
Walnut	8.0 to 10.0	8.0 to 10.0
Vine	0.6 to 1.0	2.5 to 3.5

References:

- Zaur Hasanov, Jabrayıl Aliyev “Horticulture”. MBM, Baku. 2011, 520 pages.
 Zaur Hasanov and others “What should the gardener know” reference book. ADAU, Ganja, 368 pages.
 Ahmad Rajabli “Fruit trees of Azerbaijan”. Baku. 1966, 276 pages.

APPENDIX 3 – YOUR COMPENSATION AN EXAMPLE OF CALCULATION

Mr Ibrahimov, who lives in Goranboy district, has a field of 3.54 hectares (35,400m²) which is crossed by the pipeline. This plot is affected by the pipeline construction and operations, as follows:

- 57m² are located in the 8m strip (Restriction Zone 1) and will be affected during construction (3 years in this case) and during operations
- 83m² are located in Restriction Zone 2 (two strips of a total width of 22m on both sides of the 8m strip)
- 271m² are located in the pipeline construction corridor of 36m; this area will be affected during construction but not during operations; this part of the plot is farmed, and 197m² are wheat and 74m² are lucerne
- In addition Mr Ibrahimov has three adult and productive apple trees in the 36m strip that will have to be removed at the time of pipeline construction.

The details of Mr Ibrahimov's compensation are shown below. Note that one hectare equals 10 000 m²:

1. Land rental during construction:

Surface affected:	271 m ²
Applicable rate (3 500 AZN per ha per year x 3 years):	10 500 AZN per ha
Compensation: 10 500 AZN / 10000 x 271 m ² =	285 AZN

Livelihood restoration:

Surface affected:	271 m ²
Applicable rate:	3 150 AZN per ha
Compensation: 3 150 AZN / 10000 x 271 m ² =	85 AZN

TOTAL 1 = 370 AZN

2. Protection zone 1:

Surface affected in Protection Zone 1 (8m strip):	57 m ²
Applicable rate for Protection Zone 1: 60% of the Project Land Rate for Goranboy District:	16,269 AZN per ha

TOTAL 2 = 16,269 AZN / 10000 x 57 m² = 93 AZN

3. Protection zone 2:

Surface affected in Protection Zone 2 (22m wide in two strips on both sides of the 8m strip):	83 m ²
Applicable rate for Protection Zone 2: 20% of the Project Land Rate for Goranboy District:	5,423 AZN per ha

TOTAL 3 = 5,423 AZN / 10000 x 83 m² = 45 AZN

4. Crops:

Wheat: surface affected:	197 m ²
Applicable rate for wheat in Section 2:	785 AZN per ha
Lucerne: surface affected:	74 m ²
Applicable rate for lucerne in Section 2:	8 407 AZN per ha
Applicable rate for adult and productive apple trees in Section 2:	152 AZN per tree

Total crop compensation:
TOTAL 4 = 785 AZN / 10000 x 197 m² + 8407 AZN / 10000 x 74 m² + 152 AZN x 3 = 533 AZN

TOTAL COMPENSATION: 370 + 93 + 45 + 533 = 1,041 AZN

