

# REPUBLIC OF AZERBAIJAN

State Oil Company of the Republic of Azerbaijan

**SOCAR | AZERIGAS PU**



# azəriqaz

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## STAKEHOLDER ENGAGEMENT PLAN

*for*

**Azerigas Gas Leak Detection and Repair Facility**

**(P508792)**

Project

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Appraisal Version

[May 2026]

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## Acronyms and Abbreviations

<b>AERA</b>	-	Azerbaijan Energy Regulatory Agency
<b>CE</b>	-	Citizen Engagement
<b>ESCP</b>	-	Environmental and Social Commitment Plan
<b>ESF</b>	-	Environmental and Social Framework (World Bank)
<b>ESHS</b>	-	Environmental, Social, Health and Safety
<b>ESIA</b>	-	Environmental and Social Impact Assessment
<b>ESMF</b>	-	Environmental and Social Management Framework
<b>ESMP</b>	-	Environmental and Social Management Plan
<b>ESS</b>	-	Environmental and Social Standard(s)
<b>ESS10</b>	-	Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure
<b>GBV</b>	-	Gender-Based Violence
<b>GFMR</b>	-	Global Flaring and Methane Reduction (Multi-Donor Trust Fund)
<b>GIS</b>	-	Geographic Information System
<b>GM</b>	-	Grievance Mechanism
<b>GRC</b>	-	Grievance Resolution Committee
<b>GRM</b>	-	Grievance Redress Mechanism
<b>HSE</b>	-	Health, Safety and Environment
<b>IPF</b>	-	Investment Project Financing
<b>ISR</b>	-	Implementation Status and Results
<b>LDAR</b>	-	Leak Detection and Repair
<b>LMP</b>	-	Labor Management Procedures
<b>MoE</b>	-	Ministry of Energy of the Republic of Azerbaijan
<b>MRV</b>	-	Monitoring, Reporting and Verification
<b>NGO</b>	-	Non-Governmental Organization
<b>OGMP</b>	-	Oil and Gas Methane Partnership
<b>OIPs</b>	-	Other Interested Parties
<b>PAI</b>	-	Project Area of Influence
<b>PAPs</b>	-	Project-Affected Parties
<b>PDO</b>	-	Project Development Objective
<b>PMU</b>	-	Project Management Unit
<b>PPE</b>	-	Personal Protective Equipment
<b>SEP</b>	-	Stakeholder Engagement Plan
<b>SEA/SH</b>	-	Sexual Exploitation and Abuse / Sexual Harassment
<b>SOCAR</b>	-	State Oil Company of the Republic of Azerbaijan
<b>WB</b>	-	World Bank

## 1. INTRODUCTION / PROJECT DESCRIPTION

### 1.1 Project Overview

1.1. The Azerigas Gas Leak Detection and Repair Facility Project (referred to hereafter as the “LDAR Project” or LDAR, P508792) aims to reduce fugitive methane emissions and strengthen asset management capacity in Azerigas, the state-owned natural gas distribution company of Azerbaijan. The project will establish a recipient-executed financial Facility under Azerigas Production Unit (PU) for methane leak detection and repair in the gas distribution system. The program will cover the entire legacy gas distribution network. The program will be part of a larger set of initiatives spearheaded by Azerigas addressing gas losses more broadly, including administrative losses due to inaccurate and missing metering, such as a full-scale roll-out of a ‘digital factory’ comprising a supervisory control and data acquisition (SCADA) system, smart meters, and predictive maintenance systems. The financial Facility will start with an initial USD 15 million grant from the Global Flaring and Methane Reduction (GFMR) multi-donor trust fund. Azerigas will be both Recipient of the grant, and sole Beneficiary. The money will be allocated for a series of detection and repair activities to reduce fugitive emissions of methane.

### 1.2 Azerigas and the Gas Distribution System

1.2. Azerigas is a ring-fenced business unit within SOCAR, responsible for the distribution and sale of natural gas to the domestic market. The gas distribution system spans 73,000 km, serving approximately 2.6 million customers across the country. Gas distribution in Azerbaijan is a regulated business; gas sales prices are proposed by SOCAR, reviewed and ultimately decided by the Tariff (Price) Council, chaired by the Minister of Economy. More than 60 percent of the distribution network is a legacy from the Soviet era and long past its technical lifetime. Based on mass balance analysis, actual fugitive methane emissions from the distribution system are estimated at  $\approx$  158 million m<sup>3</sup>/year.

### 1.3 Project Components

1.3. The LDAR comprises the following three components:

**Component 1. Equipment for gas leak detection and repair (USD 8 million).** This component will finance the procurement and installation of cluster meters, methane emission detection and metering equipment, small spare parts (e.g., connectors, valves, small pipe sections), and adequate clothing and PPE for LDAR crews.

**Component 2. Procurement of services for leak detection program (USD 3.2 million).** This component will finance the procurement of contractual services for the leak detection and repair activities.

**Component 3. Capacity building for Azerigas (USD 3.8 million).** This component will finance activities to carry out monitoring, reporting and verification (MRV) of emissions in line with the OGMP 2.0 standard, and digital solutions, in particular the integration of leak detection and repair data into the GIS system being developed by the company.

### 1.4 Project Location and Timeline

1.4. The project will be implemented nationwide across the Republic of Azerbaijan (Figure 1). It will focus on reducing fugitive methane emissions and strengthening asset management capacity in Azerigas’ gas distribution system, covering the full legacy gas distribution network throughout the country, except for the areas referred to as the “liberated areas”. Repair activities financed by the Facility are planned to be carried out from July 2026 through January 1, 2035 subject to annual work planning and implementation progress.



**Figure 1:** Map of Azerbaijan and Neighboring Countries

## 1.5 Environmental and Social Framework

- 1.5. The LDAR is being prepared under the World Bank's Environment and Social Framework (ESF). Per Environmental and Social Standard ESS10 on Stakeholder Engagement and Information Disclosure, the implementing agencies should provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, or intimidation.
- 1.6. While the Project does not involve large-scale civil works, Leak Detection and Repair (LDAR) activities may result in temporary and localized impacts, including short-term noise, limited access restrictions, safety risks at repair sites, and disturbance to households and businesses. Effective stakeholder engagement is therefore required to ensure timely information disclosure, address community concerns, promote safety awareness, and provide accessible grievance channels throughout Project implementation.
- 1.7. Phased Approach to Stakeholder Engagement. Stakeholder engagement under the Project will be implemented in a phased manner, aligned with the Project life cycle. During Project preparation, engagement will focus on disclosure of ESF instruments and institutional stakeholders. During implementation, engagement will be site-specific and linked to annual LDAR work plans, with targeted consultations in areas where repair activities are planned or ongoing. During later stages, engagement will focus on reporting back to stakeholders, grievance resolution trends, and incorporation of lessons learned into subsequent work plans.

## 2. OBJECTIVE / DESCRIPTION OF SEP

### 2.1 Objective of the SEP

2.1. The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities or any activities related to the project. This SEP applies to all phases of the Project and will be updated periodically to reflect changes in Project activities, stakeholder composition, risks, and feedback received during implementation. The SEP also defines mechanisms to ensure that stakeholder feedback is systematically recorded, assessed, and, where feasible, integrated into Project decision-making, implementation planning, and adaptive management.

### 2.2 Legal and Policy Basis

2.2. This SEP is prepared in accordance with the World Bank's Environmental and Social Framework (ESF) and, in particular, Environmental and Social Standard 10 (ESS10) on Stakeholder Engagement and Information Disclosure. The SEP gives effect to the stakeholder engagement commitments set out in the Environmental and Social Commitment Plan (ESCP) agreed between Azerigas and the World Bank for the LDAR project. It is a living document that will be reviewed and updated throughout the project lifecycle to reflect evolving project conditions, stakeholder feedback, and any material changes to project scope or risk profile. Any material revisions to this SEP will be disclosed in accordance with ESS10 and ESCP requirements and communicated to stakeholders using the engagement channels described in Section 4.

### 2.3 World Bank ESS10 Requirements

2.3.1. ESS10 recognizes "the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice." Effective stakeholder engagement can significantly improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. As defined by the ESF, stakeholder engagement is an inclusive process conducted throughout the project life cycle. Where properly designed and implemented, it supports the development of strong, constructive and responsive relationships that are important for successful management of a project's environmental and social risks. ESS10 is the primary applicable international standard governing this SEP. The key requirements of ESS10 that this SEP is designed to meet are set out in paragraphs 2.3.2 and 2.3.3 below. Section 3 of this SEP describes the methodology and principles applied by Azerigas in implementing these requirements.

2.3.2. The key ESS10 requirements that this SEP gives effect to include:

- Stakeholder engagement must be initiated at an early stage of the project development process and continue throughout the project life cycle. The nature, scope and frequency of engagement must be proportionate to the nature and scale of the project and its potential risks and impacts.
- Borrowers must provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, free of manipulation, interference, coercion, discrimination and intimidation.

- The stakeholder engagement process must cover: (i) stakeholder identification and analysis; (ii) engagement planning; (iii) information disclosure; (iv) consultation; (v) grievance redress; and (vi) reporting back to stakeholders.
- The Borrower must maintain and disclose a documented record of stakeholder engagement, including a description of stakeholders consulted, a summary of feedback received, and an explanation of how feedback was taken into account or why it was not.

**2.3.3.** ESS10 paragraph 21 defines “meaningful consultation” as a two-way process that must meet the following criteria, all of which are reflected in the engagement approach described in this SEP:

- (a) Begins early in the project planning process to gather initial views and inform project design;
- (b) Encourages stakeholder feedback on project design and on the identification and mitigation of environmental and social risks and impacts, on an ongoing basis as the nature of issues evolves;
- (c) Continues on an ongoing basis, as risks and impacts arise;
- (d) Is based on prior disclosure of relevant, transparent, objective and accessible information in a timeframe that enables meaningful consultations, in a culturally appropriate format and in relevant local language(s);
- (e) Considers and responds to feedback;
- (f) Supports active and inclusive engagement with all project-affected parties;
- (g) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and
- (h) Is documented and disclosed by the Borrower.

## **2.4 Structure of this Document**

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**2.4.1.** This SEP is structured as follows. Section 1 provides background on the LDAR project. Section 2 sets out the objective, legal basis, and applicable international standards of the SEP. Section 3 identifies and analyses the project’s stakeholders, including disadvantaged and vulnerable groups and the specific measures to ensure their meaningful inclusion. Section 4 presents the Stakeholder Engagement Program, covering engagement methods, the full engagement plan by project stage and stakeholder group, and the disclosure schedule. Section 5 describes the resources, staffing, roles and responsibilities for SEP implementation. Section 6 sets out the Grievance Mechanism, including its objective, structure, procedures, and the regulatory framework. Section 7 describes the monitoring and reporting framework for SEP implementation, including indicators, targets, and the process for reporting back to stakeholders. Annex 1 provides the summary record of consultations conducted during project preparation. Annex 2 contains the example Grievance Submission Form.

**2.4.2.** This SEP should be read in conjunction with the ESCP, which sets out the binding E&S commitments for the project, and the ESMF, which provides the broader environmental and social management framework within which this SEP operates.

### 3. STAKEHOLDER IDENTIFICATION AND ANALYSIS

#### 3.1 Methodology

3.1.1. In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- **Openness and life-cycle approach:** Public consultations for the project will be arranged during the whole project life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
- **Informed participation and feedback:** Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- **Inclusiveness and sensitivity:** Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, and migrant workers and communities.
- **Flexibility:** The SEP will have flexibility to cater for stakeholder engagement via online forums or phone-based communication.

3.1.2. Stakeholder identification was informed by Azerigas operational experience, national demographic information, and preliminary stakeholder mapping conducted during Project preparation.

#### 3.2 Affected Parties and Other Interested Parties

3.2.1. Project stakeholders are defined as people, organizations, or other entities that may be affected by project interventions, who may have an interest or can influence its outcomes either positively or negatively. The analysis identifies the appropriate methodology for each category of stakeholders throughout the project cycle. Stakeholders are categorized as follows:

- **Project Affected Parties (PAPs):** persons, groups/communities, and other entities within the Project Area of Influence (PAI) that are affected by the project or are likely to be affected directly or indirectly, favorably, or unfavorably.

**Other Interested Parties (OIPs):** individuals or groups whose interests may be affected by the project and who have the potential to influence the project outcomes in any way.

**Table 1: Identification of Stakeholders**

Stakeholder	Category	Primary Interest / Concern	Level of Influence	Engagement Approach
Ministry of Energy (MoE)	PAP / OIP	National energy policy; gas sector modernisation; methane emissions reduction targets	High	Formal briefings and reporting; disclosure of ESCP and SEP; participation in national-level consultations
SOCAR (parent company)	PAP	Corporate governance; grant recipient obligations; ESG	High	Regular management meetings; quarterly progress reports; disclosure of E&S instruments

		performance; financial oversight		
Azerigas PU (incl. 11 regional offices)	PAP	Operational implementation of LDAR programme; GRM management; staff capacity; reputational risk	High	PMU internal coordination meetings; staff training; regional office information desks; SEP disclosure
Azerbaijan Energy Regulatory Agency (AERA)	PAP / OIP	Regulatory compliance; tariff implications of LDAR; reporting and verification obligations	High	Formal consultations; provision of regulatory updates; disclosure of relevant project documents
Tariff (Price) Council	OIP	Gas tariff setting; potential consumer price implications of LDAR investments	Medium	Written notifications; participation in national stakeholder meetings; disclosure of project information
Households and communities (~2.6 million gas customers)	PAP	Service continuity; safety during repair works; noise and disruption; access to GRM	Medium	Community meetings (quarterly, per region); printed materials (leaflets, posters); hotline (104); suggestion boxes at work sites
Direct project workers and LDAR field crews	PAP	Occupational health and safety; fair labour conditions; access to labour GRM; PPE provision	Low–Medium	Mandatory OHS induction; Labour GRM channels communicated in Azerbaijani; quarterly site visits by PMU Social Specialist; annual worker rights awareness sessions (covered in POM)
Contractor organisations and subcontractors	PAP	Contractual compliance; E&S requirements; worker management obligations; GRM obligations	Medium	Contractual E&S clauses; contractor training; PMU supervision and unannounced site visits
Presidential Administration and Cabinet of Ministers	OIP	National climate commitments; methane reduction policy; World Bank partnership	High	Disclosure of project documents through official channels; participation in national-level events
Ministry of Economy	OIP	Economic development implications; investment climate; public finance	Medium	Written notifications; national stakeholder meetings; disclosure of project information
Ministry of Ecology and Natural Resources	OIP	Environmental compliance; methane emissions monitoring; EIA requirements	Medium	Formal consultations; sharing of environmental monitoring data; disclosure of ESCP and ESMF
World Bank Baku Office	OIP	ESF compliance; project supervision; fiduciary oversight; ESS10 adherence	High	Semi-annual progress reports; implementation support missions; continuous communication with PMU
Civil society groups and NGOs, including:	OIP	Environmental accountability; community rights;	Medium	National and regional consultation meetings; disclosure of SEP and

<p>Azerbaijan Green Movement (environmental accountability); IDEA Public Union (civic engagement); Transparency Azerbaijan (anti-corruption / project transparency); Oil Workers' Rights Protection Organization / OWRPO (labor rights and civil society oversight of IFI-financed energy projects); Azerbaijan Trade Unions Confederation / ATUC (representing workers in the energy and industrial sectors); Azerbaijan State Oil and Industry University / ASOIU – Gas, Petroleum and Energetics Faculties (academic expertise on gas distribution, methane emissions, and energy engineering); Baku Engineering University (engineering and technical education relevant to LDAR activities); consumer rights NGOs active in utility service quality monitoring</p>		<p>transparency of GRM; social inclusion</p>		<p>GRM information; participation invited in perception surveys</p>
<p>Media organisations (print, broadcast, online) (e.g., AzərTAc state news agency, ITV public broadcaster, Aztv, regional print outlets; note: specific media partners to be confirmed during project launch)</p>	<p>OIP</p>	<p>Public information; reporting on environmental and social impacts; project transparency</p>	<p>Low–Medium</p>	<p>Press releases at key project milestones; media briefings; Azerigas website updates; social media channels</p>
<p>Business and technology partners (e.g., Italgas)</p>	<p>OIP</p>	<p>Technical collaboration; LDAR methodology sharing; equipment standards</p>	<p>Low–Medium</p>	<p>Technical working meetings; sharing of LDAR pilot findings; coordination on equipment procurement and training</p>

3.2.2. In accordance with ESS10, stakeholders are further segmented based on the level and nature of potential impact associated with Project activities. This segmentation allows Azerigas to apply proportionate, risk-based stakeholder engagement, ensuring that stakeholders who may experience direct or temporary impacts from LDAR activities receive more frequent and targeted engagement, while stakeholders with indirect or general interest are engaged through broader information disclosure mechanisms.

3.2.3. The level of impact reflects the extent, duration, and reversibility of potential Project-related effects on stakeholders, as well as their proximity to LDAR works and interaction with Project implementation. Engagement intensity and methods are adjusted accordingly to ensure meaningful consultation, timely information disclosure, and effective access to the Grievance Mechanism throughout the Project life cycle.

- **Directly affected stakeholders:** Individuals or groups likely to experience temporary or localized impacts from LDAR activities, such as access restrictions, noise, or safety risks.
- **Potentially affected stakeholders:** Individuals or groups who may be affected depending on the timing and location of planned LDAR works.
- **Indirectly affected stakeholders:** Stakeholders with an interest in Project outcomes but not exposed to direct physical impacts.
- **Engagement intensity:** The frequency, depth, and formality of engagement activities, proportionate to the level of impact and stakeholder needs.

**Table 1.1. Stakeholder Segmentation by Level of Impact**

Stakeholder Group	Level of Impact	Typical Interaction with Project	Engagement Intensity
Communities in areas with active LDAR works	Directly affected	Temporary access restrictions, noise, safety risks	High – pre-work meetings, on-site notices, GRM follow-up
Communities in areas planned for LDAR works	Potentially affected	Anticipated disturbances	Medium – advance disclosure, targeted consultations
General gas customers	Indirectly affected	General interest in service quality	Low – website, hotline, public information
LDAR field workers	Directly affected	OHS risks, labor conditions	High – induction, labor GRM
Municipalities / local executive authorities	Institutional	Coordination, public communication	Medium – formal notifications

### 3.3 Disadvantaged / Vulnerable Individuals or Groups

3.3.1. Within the Project, the following groups are identified as potentially vulnerable or disadvantaged. Rather than applying generic vulnerability categories, this section defines vulnerability in the specific context of LDAR project activities and their associated risks. For example: persons with chronic health conditions or medical dependencies on gas (e.g., respiratory conditions requiring heated homes, or gas-powered medical equipment) may be especially at risk when gas supply is temporarily interrupted for repair works — requiring additional advance notice and alternative arrangements. Elderly residents in rural areas may lack access to digital notification channels and need direct outreach. Women in remote or

traditional settlements may face mobility or social barriers to attending consultations, requiring differentiated engagement approaches. For each group identified below, specific and practical engagement measures are defined. These are grounded in actual project impacts and differentiated by geography where relevant, to ensure meaningful inclusion throughout the project lifecycle.

- **Persons with Disabilities:** Persons with Disabilities (mobility, hearing, and visual impairments) may face barriers in attending standard consultation events or accessing written materials.
  - Consultation venues will be selected to ensure physical accessibility (ground-floor locations, ramps, accessible toilets).
  - Key project documents and GRM information will be made available in large-print and audio formats upon request.
  - Sign language interpretation will be arranged for public meetings where hearing-impaired participants are expected.
  - Home visits or telephone consultations will be offered to individuals who cannot travel to consultation venues.
  - The PMU Social Specialist will where feasible and based on available information, proactively identify and engage persons with disabilities during stakeholder mapping and consultations.
- **Women:** Women's vulnerability in the context of this project is location- and context-specific. Women in Baku and other major urban centres are generally unlikely to face significant barriers to mobility, access to information, or engagement with project personnel. By contrast, women in more remote, rural, or traditionally conservative settlements may have more limited independent access to public consultations, digital channels, or direct interaction with project staff. Engagement measures for women will therefore be differentiated by geography, with standard outreach applied in urban areas and more intensive, targeted approaches used in rural and remote regions. Specific sub-groups requiring additional attention regardless of location include: pregnant women and women with young children (who may have scheduling constraints); women with health conditions that heighten sensitivity to temporary gas interruptions during LDAR repair works; and women who are sole household managers and therefore disproportionately affected by service disruptions.
  - Consultation meetings will be scheduled at times convenient for women (e.g., morning sessions on weekdays, avoiding school holidays).
  - At least one female community meeting per region per year will be organised specifically targeting women stakeholders.
  - Childcare arrangements (e.g., a designated safe space for children) will be provided at consultation venues where feasible.
  - The GRM will be designed to be SEA/SH-sensitive. Female-friendly channels will be promoted, including written submission and telephone options as alternatives to in-person attendance. At least one anonymous submission channel (e.g., an unmarked complaint box or a confidential online form) will be available specifically for complaints of a sensitive or personal nature. Relevant internal protocols will be put in place to ensure that SEA/SH-related complaints are handled through a confidential, survivor-centred process, with no personally identifiable information of the survivor recorded in the general GRM log. PMU staff responsible for grievance intake will receive SEA/SH-specific training.
  - At least one female staff member or interpreter will be present at all community consultations.
  - Project communication materials will depict women in active project roles to encourage engagement.

- **Elderly Individuals:** Elderly individuals may lack familiarity with digital communication channels, online platforms, and social media, limiting their access to project information and feedback mechanisms.
  - All project information will be made available in printed formats (leaflets, posters) distributed through Azerigas regional offices, community notice boards, and local government buildings.
  - Azerigas hotline (104) will be promoted as the primary GRM channel for elderly stakeholders who are comfortable with telephone communication.
  - Consultation meetings in community centres, mosques, and local administrative buildings will be prioritised to reach elderly residents through familiar venues.
  - PMU regional focal points will conduct direct outreach visits to elderly PAPs identified during stakeholder mapping, particularly in rural areas.
  - Plain-language summaries of key project documents will be prepared, avoiding technical terminology.
- **Persons with Chronic Health Conditions or Medical Dependencies on Gas:** Individuals who rely on gas for medical equipment (e.g., home heating for respiratory conditions, gas-powered medical devices) or who have health conditions that make temporary gas interruptions particularly harmful are an LDAR-specific vulnerable group not captured by generic lists. These individuals may be at elevated risk during repair works that require temporary gas shut-offs.
  - Regional Focal Points will coordinate with local healthcare institutions and municipal authorities during site-specific engagement to identify households with medical gas dependencies in planned LDAR work areas.
  - Advance notice of planned gas interruptions will be provided directly to identified households at least 48 hours before works, and where feasible, Azerigas will prioritise scheduling to minimise interruption duration for these households.
  - The GRM hotline (104) will be promoted as a priority channel for this group to report concerns or request assistance related to planned gas interruptions.

**3.3.2.** The PMU Social Specialist will be responsible for implementing and monitoring the above measures. Engagement with vulnerable groups will be documented in semi-annual SEP progress reports, including the number of individuals reached per group, methods used, issues raised, and responses provided. The list of vulnerable groups and corresponding engagement measures will be reviewed and updated annually, or following any significant change in project scope or affected communities, to ensure the approach remains responsive to actual needs on the ground.

**3.3.3.** Effectiveness of engagement with vulnerable and disadvantaged groups will be assessed through monitoring indicators, including participation rates, types of issues raised, and accessibility of grievance channels. Findings will be reflected in semi-annual SEP progress reports and used to adjust engagement approaches where needed.

## 3.4 Azerigas Existing Community Engagement System

**3.4.1.** Azerigas already maintains a functioning community and customer engagement system that operates through its 11 regional offices across Azerbaijan. This section describes the existing structures, channels, and governing frameworks that will be built upon and enhanced for the purposes of this project.

**3.4.2.** Existing Engagement Channels. Azerigas currently engages with customers and communities through the following channels: (i) a national customer hotline (104), operated 24/7 and handling service requests, fault reports, and complaints; (ii) an official website (azeriqaz.az)

carrying service information, news, and a digital contact form; (iii) social media pages on local platforms, used for public announcements and feedback; (iv) in-person service points at each of the 11 regional offices, where customers can submit requests, complaints, or queries in writing or verbally; and (v) field crews who interact directly with communities during routine maintenance and repair activities. [Note to Azerigas team: please confirm and supplement the above list with any additional channels currently in operation, and specify which channels are available in each region.]

3.4.3. Roles and Escalation. Customer-facing activities at the regional level are managed by Regional Office staff, including HSE officers and customer service representatives. Routine issues (service requests, minor complaints) are handled at the regional level. Issues that cannot be resolved locally are escalated to Azerigas headquarters in Baku. Under this project, the PMU Social Specialist and PMU GRM Focal Point will serve as the central coordination points for all project-related community engagement and grievance handling, receiving escalated issues from the 11 regional offices and ensuring timely resolution.

3.4.4. Notifications. Prior to routine maintenance or repair works, Azerigas typically notifies affected customers via the hotline (104) and/or direct door-to-door notification by field crews. For larger planned works, advance notice is communicated through the website and social media. Under this project, pre-work community notification procedures will be standardized and documented as part of the site-specific engagement protocol (see Section 4.2.3).

3.4.5. Governing Framework. Azerigas' community engagement activities are governed by: (i) internal procedures and corporate policies of SOCAR/Azerigas applicable to customer communications and HSE; (ii) the Law of the Republic of Azerbaijan No. 1308-IVQ "On Citizens' Appeals" (September 30, 2015), which governs the handling of written and oral appeals to entities owned by the state; (iii) the Law of the Republic of Azerbaijan "On the right to obtain information" (September 30, 2005); and (iv) the Law of the Republic of Azerbaijan No. 816-IVQ "On Public Participation" (November 22, 2013). For this project, these domestic requirements are supplemented by World Bank ESS10 requirements as set out in this SEP. [Note to Azerigas team: please verify and add any further applicable internal procedures or regulatory instruments.]

## 4. STAKEHOLDER ENGAGEMENT PROGRAM

### 4.1 Summary of Stakeholder Engagement Done During Project Preparation

#### 4.1.1.

During Project preparation (mid-2024 to March 2026), Azerigas and the World Bank conducted a series of technical, institutional, and disclosure engagements. These are described in the subsections below and summarised in detail in Annex 1.

**Prior Consultations and Engagements.** The preparation phase included a number of substantive engagements with key institutional stakeholders. While these meetings primarily supported Project preparation and do not all constitute formal stakeholder consultations under ESS10, they reflect an active and ongoing dialogue between Azerigas, the World Bank, and relevant national institutions. The key engagements conducted are described in the bullet points below. Broader stakeholder consultations with Project-Affected Parties and Other Interested Parties will be conducted as part of SEP disclosure and prior to commencement of LDAR activities in each region. These will be fully documented, including dates, locations, participant lists, issues raised, and responses provided, and summarised in Annex 1.



- The consultation process began in mid-2024 with a foundational engagement between the World Bank team and Azerigas management, focused on introducing the Environmental and Social Framework (ESF) and the obligations under ESS10. Azerigas acknowledged these requirements and committed to establishing a dedicated Project Implementation Unit (PMU), as well as preparing the necessary instruments such as the SEP and ESCP.
- In Summer 2025, a procurement training session was held with two Azerigas procurement experts and World Bank specialists. The session covered World Bank

procurement procedures, fiduciary requirements, and contract management arrangements specifically relevant to LDAR equipment and services. Both experts successfully completed the training, confirming procurement readiness.

- Also spanning 2024–2025, Azerigas engaged with Italgas through a technical collaboration on a Leak Detection and Repair (LDAR) Pilot. Azerigas technical staff worked alongside Italgas specialists to explore methodologies, equipment requirements, and EU best practices. The outcomes of this pilot directly informed the project design, with LDAR equipment specifications and workflows incorporated into project planning.
- In Late 2025, three separate institutional engagements were conducted in parallel. The Ministry of Energy (MoE) was briefed on project objectives and their alignment with national energy policy — the Ministry expressed strong support and acknowledged the modernization needs. The Azerbaijan Energy Regulatory Agency (AERA) was engaged on the regulatory framework, tariff implications, and LDAR compliance obligations, and similarly confirmed support and alignment with its regulatory modernization agenda. SOCAR, as Azerigas's parent company, was consulted on corporate governance arrangements and its ESG commitments — SOCAR confirmed strong institutional backing and formally endorsed Azerigas as the grant recipient and beneficiary.
- In Q1 2026, an internal PMU mobilization consultation was held among Azerigas management, the prospective Environmental and Social (E&S) staff, and the PMU team. This meeting addressed the PMU's organizational structure, E&S staffing roles and responsibilities, and the setup of the Grievance Redress Mechanism (GRM). As a result, Azerigas initiated an internal restructuring and mobilized a prospective E&S Specialist and PMU staff.

Finally, in March 2026, the SEP and ESCP were formally disclosed for public review, reaching the general public, project-affected parties (PAPs), government agencies, and civil society. The draft documents were made available in both Azerbaijani and English, with a feedback period opened in line with ESS10 disclosure requirements.

**4.1.2.** SOCAR and Azerigas have confirmed their strong support for the program. SOCAR confirmed this through discussions with the World Bank team, and Azerigas has been developing a pilot gas leak detection and repair project with Italgas (a leading Italian gas distribution company) in Baku. The scope of the project has been informed by this pilot activity and existing LDAR practices in Azerigas. The Azerbaijan Energy Regulatory Agency (AERA) and the Ministry of Energy (MoE) have also expressed their support for the project and concur with the modernization needs of Azerigas.

**4.1.3.** All comments and suggestions provided during the preparatory engagement were duly recorded and will be incorporated into the final E&S documentation. The final ESF instruments including SEP, will be disclosed on the official website of Azerigas and on the World Bank's external website, ensuring transparency and continued stakeholder engagement.

## **4.2 Summary of Project Stakeholder Needs and Methods, Tools, and Techniques for Stakeholder Engagement**

**4.2.1.** The Project will employ a range of tailored engagement methods, each targeted at specific stakeholder groups based on their information needs, capacity to engage, and level of influence. Table 2 below links each method to its primary target audience, frequency, and responsible party. Further detail is provided in the narrative that follows.

**Table 2: Stakeholder Engagement Methods, Target Groups and Responsibilities**

Engagement Method	Primary Target Stakeholders	Frequency	Language Format	Responsible Party
National project launch meeting	MoE, AERA, SOCAR, civil society, media, community representatives	Once (project starts)	Azerbaijani and English; presentations and Q&A	Azerigas/PMU
Regional community meetings	Households, community leaders, PAPs, local NGOs	Quarterly per region (11 regions)	Azerbaijani; open-house format, verbal and visual	Azerigas regional offices / PMU Focal Point
Government-level bilateral meetings	MoE, AERA, Tariff Council, Ministry of Economy, Ministry of Ecology	Semi-annually or as needed	Azerbaijani and English; formal briefings	Azerigas senior management / PMU
Printed communication materials (leaflets, posters, PR kits)	Households, elderly residents, local communities, field workers	At project start; updated annually	Azerbaijani; plain language, visual-heavy	PMU Social Specialist / regional offices
Website updates (azeriqaz.az)	All stakeholders, general public, World Bank, NGOs	At least quarterly	Azerbaijani and English	PMU Communications Specialist
Social media platforms	General public, youth, media, NGOs, civil society	Regular posts (minimum monthly)	Azerbaijani; short-form content	PMU Social Media Specialist
Azerigas hotline (104)	Households, elderly, workers, vulnerable groups	Ongoing (24/7 availability)	Azerbaijani; verbal communication	Azerigas call centre / PMU GRM Focal Point
Information desks at regional offices	PAPs, communities, workers in each of 11 regions	Permanent during project implementation	Azerbaijani; printed materials and verbal	Azerigas regional office Focal Points
Suggestion and complaint boxes	Field workers, nearby communities, vulnerable groups	Permanent at active work sites and regional offices	Written or drawn submissions accepted	PMU Social Specialist; boxes checked weekly
Beneficiary / PAP perception surveys	Households, PAPs, field workers	Twice (mid-implementation and end of project)	Azerbaijani; structured questionnaire	PMU E&S Specialists
Worker OHS and LMP induction training	LDAR field crews, contractors, subcontractor staff	Before work commencement, refreshed annually	Azerbaijani; in-person with practical demonstration	PMU Social Specialist / contractor HSE officer
E&S and GBV sensitisation workshops	PMU staff, Azerigas staff, contractor managers	At least annually	Azerbaijani and English; facilitated workshop	PMU Social Specialist / external trainer

Semi-annual and annual E&S progress reports	World Bank, GoA, SOCAR, MoE	Semi-annually and annually	English (with Azerbaijani summary)	PMU E&S Specialists
SEP and ESCP public disclosure	All stakeholders and general public	At appraisal, updated versions disclosed as revised	Azerbaijani and English; World Bank and Azerigas websites	PMU / World Bank

**4.2.1.1.** Public and community meetings will be the primary channel for direct engagement with project-affected households and communities. Before commencing field activities, Azerigas will convene a national-level project launch meeting targeting government entities, civil society, and media. This will be followed by open-house community meetings in all 11 regions, organised at accessible venues, at times convenient for PAPs, and conducted in Azerbaijani. Quarterly regional meetings will continue throughout project implementation, providing a forum for communities to raise concerns, receive progress updates, and be informed of GRM procedures.

**4.2.1.2.** Government stakeholders (MoE, AERA, Tariff Council, Ministry of Economy, Ministry of Ecology) will be engaged through formal bilateral meetings at least semi-annually, and through written notifications at key project milestones. These engagements will focus on regulatory compliance, emissions monitoring, and national policy alignment. The PMU will maintain a stakeholder contact log to track all interactions with government entities.

**4.2.1.3.** Written communication materials — including brochures, leaflets, posters, and a PR kit — will be developed in Azerbaijani in plain language with visual elements, targeting households, elderly residents, and field workers. Materials will be distributed through Azerigas regional offices, community notice boards, local government buildings, mosques, and work sites. Digital versions will be posted on the Azerigas website and social media platforms. All materials will be updated at least annually and whenever significant project changes occur.

**4.2.1.4. Digital and Remote Engagement Channels.** Azerigas already operates a set of digital and remote engagement channels that form the backbone of its customer communication infrastructure. These existing channels will be enhanced and formally integrated into the project’s stakeholder engagement and grievance system for the duration of the LDAR project.

- **Website (azeriqaz.az).** The Azerigas official website (azeriqaz.az) will serve as the primary public disclosure platform for the project. All key Environmental and Social documents — including the SEP, ESCP, and ESMF — will be published in both Azerbaijani and English, and kept updated at least quarterly throughout the project lifecycle. Project progress updates, GRM information, and pre-work notices for planned LDAR activities in specific areas will also be published on the website. A dedicated digital contact form on the website will provide an accessible channel for stakeholders to submit enquiries, feedback, and grievances. The website is accessible 24 hours a day and is available to any stakeholder with internet access across all regions of Azerbaijan.
- **Hotline (104).** The Azerigas customer hotline (104) operates 24/7, handling service requests, fault reports, and complaints nationwide. Under this project, the hotline will be formally designated as a primary GRM intake channel. Operators will be briefed on project-related issues and will be able to log project-specific complaints directly into the

GRM system. The hotline is the preferred channel for elderly residents and other stakeholders who are not digitally connected, and will be widely promoted in all project communication materials. Call volume data and call categories will be tracked monthly by the PMU Communications Specialist as part of the stakeholder engagement monitoring framework.

- **Social Media Channels.** Azerigas maintains active social media pages (Facebook, Instagram, and LinkedIn) which are used for public announcements, service updates, and feedback collection. Under this project, social media will be used to communicate pre-work notices, project milestones, safety reminders, and GRM awareness messages. A minimum of one project-related post per month will be published. The PMU Social Media Specialist will monitor comments and messages on social media platforms, escalating project-related enquiries or complaints to the GRM Focal Point within 24 hours. Social media reach metrics will be tracked monthly.
- **Limitations and Complementary Channels.** Digital channels are effective for reaching urban, younger, and connected stakeholders, but are not sufficient on their own to ensure inclusive engagement with elderly residents, rural communities, persons with disabilities, or groups with limited internet access. These channels are therefore complemented by the in-person and printed communication mechanisms described in sections 4.2.1.3 and 4.2.1.5.

**4.2.1.5.** Information desks will be permanently established in each of Azerigas's 11 regional offices, staffed by trained Focal Points. Each desk will hold printed project materials, GRM submission forms, and contact details for the PMU Social Specialist. Locked suggestion boxes will be installed at all active work sites and regional offices and checked weekly. These channels are specifically designed to reach workers, nearby communities, and vulnerable groups who may not use digital platforms.

**4.2.1.6.** Contractor and worker engagement will be managed through mandatory OHS and GRM induction training before commencement of any field activity. All LDAR workers will receive training in Azerbaijani covering their rights under the Labour Management Procedures (LMP), how to access the labour GRM, and how to report concerns anonymously. Annual refresher sessions will be conducted. The PMU Social Specialist will conduct quarterly unannounced site visits to verify worker awareness and GRM accessibility.

**4.2.2.** As part of the World Bank's Strategic Framework for Mainstreaming Citizen Engagement (CE) in Operations, all project Results Frameworks are required to include at least one beneficiary feedback indicator. The CE approach goes beyond measuring beneficiary satisfaction: a core requirement is that the feedback loop is demonstrably closed — meaning that feedback collected from stakeholders and beneficiaries must not only be recorded, but visibly acted upon, with the response communicated back to those who provided it. This project has incorporated the following Citizen Engagement / Beneficiary Feedback Indicators (Table 3), which are designed to capture both the level of satisfaction and the degree to which feedback has been integrated into project activities.

**Table 3: Beneficiary Feedback Indicators included in the Results Framework**

Indicator	Definition	Source
Number of beneficiaries satisfied with provided service or training (Number)	Numerator: Number of beneficiaries that report they are satisfied with the service and training offered. Denominator: Total number of beneficiaries responding to the satisfaction survey.	Survey
Grievances addressed within a stipulated standard for a response	Numerator: Total number of grievance cases addressed in accordance with established protocol. Denominator: Total number of grievance cases received. Stipulated service standards for response times will be outlined in the GRM Manual.	GRM system

Closing the Feedback Loop. Tracking beneficiary satisfaction alone is insufficient to demonstrate meaningful citizen engagement in line with World Bank CE requirements. The project therefore puts in place the following specific measures to close the feedback loop. First, the PMU will systematically document how feedback received through consultations, the GRM, perception surveys, and other channels has been reviewed and acted upon. Second, semi-annual SEP progress reports will include a dedicated “Feedback Response” section describing: (i) the main categories of feedback received during the reporting period; (ii) what decisions or adjustments to project activities, communication methods, mitigation measures, or work schedules were made in response; and (iii) how these responses were communicated back to stakeholders. Where feedback was not acted upon, the reasons will be transparently recorded and disclosed. Third, at each quarterly community meeting, the Regional Focal Point will present a plain-language update on actions taken since the previous meeting in response to issues raised — directly demonstrating to communities that their input has been heard. This closed-loop approach ensures the CE indicator measures genuine responsiveness, not merely satisfaction at a point in time. The SEP will be a living document updated as the project develops.

**4.2.3 Site-Specific Engagement Prior to LDAR Activities.** Prior to commencement of LDAR activities in a specific location, Azerigas will conduct targeted site-specific engagement, which may include community briefings, distribution of notices, and coordination with local authorities. These engagements will inform affected communities of the scope, duration, safety measures, and grievance channels related to the planned works.

## 4.3 Stakeholder Engagement Plan

**4.3.1.** The Stakeholder Engagement Plan for the LDAR is structured around the specific needs, interests, and influence levels of each stakeholder group identified in Table 1. Engagement is organised along two dimensions: (i) horizontal — national-level dialogue with government ministries, regulators, and institutional partners; and (ii) vertical — cascading outreach through Azerigas' 11 regional offices to reach project-affected communities, LDAR field workers, and vulnerable groups across Azerbaijan.

**4.3.2.** At the national level, Azerigas/PMU will hold formal bilateral meetings with the Ministry of Energy and AERA at project launch, mid-term review, and project close-out. The World Bank Baku Office will receive monthly PMU coordination updates and semi-annual E&S progress reports. SOCAR will receive quarterly management briefings. The Ministry of Ecology and Natural Resources will be consulted formally before project commencement

and will receive annual environmental monitoring reports. These institutional engagements ensure that the project maintains regulatory alignment and retains the political support necessary for national-scale LDAR implementation.

- 4.3.3. At the community and field level, Azerigas regional offices will organise a community information meeting before LDAR activities commence in their district. These meetings will present the project objectives, planned repair works, timeline, potential temporary disruptions, safety precautions, and how to access the GRM. Quarterly updates will be provided through the Azerigas website (azeriqaz.az), hotline (104), social media channels, and printed leaflets distributed at regional offices and community notice boards. Suggestion and complaint boxes will be installed at all active work sites and at each regional office. PMU regional focal points will be responsible for maintaining engagement records and escalating issues to the PMU Social Specialist in Baku. Local executive authorities and municipalities will be informed in advance of LDAR activities in their jurisdictions and engaged, where appropriate, to support information disclosure and community outreach.
- 4.3.4. Engagement with project workers and LDAR field crews will be continuous throughout implementation. All workers will receive a pre-work induction covering OHS requirements, PPE use, labour rights (as set out in the Project Operations Manual), and GRM access. Labour GRM channels — including the anonymous suggestion box and a dedicated telephone line — will be posted at all work sites in Azerbaijani. The PMU Social Specialist will conduct unannounced site visits at least quarterly to verify worker awareness of GRM channels and to document any issues raised informally. Worker perception surveys will be administered annually.
- 4.3.5. All key project documents — including this SEP, the ESCP, and the ESMF (note: there is no standalone LMP for this project; labour management arrangements are addressed in the Project Operations Manual) — will be disclosed on the Azerigas website and on the World Bank’s external website in Azerbaijani and English, following clearance by the Government and the Bank. Printed copies will be available at all Azerigas regional offices. Any material amendments to the ESCP or SEP will follow the same disclosure and consultation procedure. Table 4 below sets out the full engagement plan by project stage, target stakeholder group, method, and responsibility.
- 4.3.6. Feedback received through consultations and the Grievance Mechanism will be reviewed during monthly PMU coordination meetings and considered in adjusting work schedules, mitigation measures, communication methods, and future engagement activities. Decisions taken in response to stakeholder input will be documented and reported back to stakeholders as part of SEP implementation reporting.

**Table 4: Plan for stakeholder engagement during project preparatory, implementation and operational periods.**

Project Stage	Estimated Date / Period	Topic of Consultation / Message	Method Used	Target Stakeholders	Responsibilities
<b>Project preparation and</b>	During preparation of ESF instruments	<ul style="list-style-type: none"> <li>• Project objectives, rationale, benefits and</li> </ul>	<ul style="list-style-type: none"> <li>• Present drafts and get stakeholder</li> </ul>	PAPs, OIPs, Disadvantaged/Vulnerable groups, Government entities	Azerigas/PMU and regional offices

Project Stage	Estimated Date / Period	Topic of Consultation / Message	Method Used	Target Stakeholders	Responsibilities
<p><b>planning phase</b></p>	<p>and update of draft SEP</p>	<p>beneficiaries</p> <ul style="list-style-type: none"> <li>• Implementation arrangements and schedule</li> <li>• Potential environmental and social risks and impacts; measures for mitigation and management</li> <li>• Description of the Grievance Mechanism (GM)</li> <li>• Stakeholders identified and approach to engagement</li> <li>• Discuss E&amp;S Risk Management measures, actions and plans</li> </ul>	<p>inputs on: ESMF, SEP (including GRM), LMP, ESCP</p>	<p>at national and regional level, interested groups (media, NGOs)</p>	
	<p>Before commencement of the project</p>	<ul style="list-style-type: none"> <li>• Project details, objective, duration, target population, selection criteria, and project implementation plans</li> <li>• Disclosure of finalized ESMF,</li> </ul>	<p>Azerigas website, TV, radio, newspapers, social media platforms, community meetings, public notice boards</p>	<p>Government entities, PAPs, OIPs, vulnerable groups</p>	<p>Azerigas/PMU and regional offices</p>

Project Stage	Estimated Date / Period	Topic of Consultation / Message	Method Used	Target Stakeholders	Responsibilities
		SEP, LMP, and ESCP			
<b>Project implementation phase</b>	Quarterly during implementation	<ul style="list-style-type: none"> <li>Project progress updates</li> <li>Environmental and social performance</li> <li>GRM updates and grievance status</li> <li>Any changes to project scope or activities</li> </ul>	<ul style="list-style-type: none"> <li>Public meetings</li> <li>Website updates</li> <li>Social media</li> <li>Progress reports</li> <li>Information desks</li> </ul>	All stakeholder groups	Azerigas/PMU
<b>Monitoring and evaluation</b>	Semi-annually and annually	<ul style="list-style-type: none"> <li>E&amp;S performance and monitoring results</li> <li>SEP implementation status</li> <li>GRM data and trends</li> <li>Beneficiary satisfaction survey results</li> </ul>	<ul style="list-style-type: none"> <li>Semi-annual and annual progress reports submitted to World Bank</li> <li>Public disclosure on website</li> </ul>	World Bank, GoA, PAPs, OIPs	Azerigas/PMU E&S Specialists

4.3.7. Table 4.1 presents the Project's structured process for managing stakeholder feedback in accordance with ESS10. The feedback and response cycle ensures that information received through consultations, the Grievance Mechanism, the hotline, surveys, and other engagement channels is systematically captured, reviewed, acted upon, and reported back to stakeholders.

4.3.8. The cycle is designed to promote meaningful consultation, transparency, and accountability by clearly defining roles and responsibilities at each stage. Feedback is first collected and documented at the regional and site level, consolidated by the PMU Social Specialist, and reviewed during regular PMU coordination meetings. Based on this review, appropriate actions may include adjustments to work schedules, mitigation measures, communication approaches, or other aspects of Project implementation.

**Table 4.1. Stakeholder Feedback and Response Cycle**

Step	Description	Responsible Party
Feedback collection	Consultations, GRM, hotline, surveys	Regional Focal Points / GRM Focal Point
Documentation	Recording issues and concerns	PMU Social Specialist
Review	Assessment of significance and feasibility	PMU coordination meeting
Action	Adjustment of plans or mitigation	Azerigas / PMU
Reporting back	Communication of response to stakeholders	PMU Communications Specialist

**4.3.9.** To ensure inclusivity and cultural appropriateness, all consultation materials will be produced in Azerbaijani as the primary language, with Russian versions available in areas with significant Russian-speaking populations. Plain-language summaries will be prepared for all key project documents. Face-to-face community meetings will be the primary method for reaching rural and elderly communities; social media and the Azerigas website will be used to reach younger and urban audiences. All consultation records — including attendance lists, minutes, issues raised, and responses given — will be maintained by the PMU and summarised in semi-annual SEP progress reports submitted to the World Bank. Table 5 below presents the schedule for disclosure of project documents.

**Table 5: Schedule of Disclosure of Project Documents**

Project Stage / Timeline	Target Stakeholders	Information to be Disclosed	Methods
After appraisal	All stakeholders and the general public	SEP, ESCP, ESMF, LMP	World Bank and Azerigas websites
Within six months of effectiveness	All stakeholders	Updated SEP, LMP	World Bank and Azerigas websites
Semi-annually	Implementing partners, project host communities	Project scope, progress reports	Azerigas website, virtual consultations, public meetings
Before key activities	Key stakeholders for specific activities, including Contractors and Consultants	ESMF and relevant technical documents	World Bank and Azerigas websites
Annual	General public	Any updated project documents, annual reports on progress and lessons learnt	World Bank and Azerigas websites

## 4.4 Reporting Back to Stakeholders

**4.4.1.** Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and Grievance Mechanism, and on the project's overall implementation progress. The project will publish semi-annual and annual E&S progress reports that include updates on stakeholder engagement activities.



## 5. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

### 5.1 Resources

- 5.1.1.** The overall budget for SEP implementation is estimated at USD 130,000 over the project lifecycle (2026–2035), covering expert consultancy, community engagement events, communication materials, training, and grievance mechanism infrastructure. Table 6 below presents the indicative cost breakdown by category. This budget will be reviewed and updated annually by the PMU Social Specialist in consultation with Azerigas management, and formally revised in the SEP update submitted to the World Bank at each project supervision mission.
- 5.1.2.** SEP-related expenditures will be managed through the project financial management system administered by the PMU Finance Manager. All procurement related to stakeholder engagement activities (consultancy contracts, printing, event logistics, suggestion box procurement) will follow World Bank procurement procedures as set out in the Project Operations Manual. Unspent budget allocations at year-end may be carried over subject to PMU approval and World Bank no-objection where required.
- 5.1.3.** In the event that project scope expands significantly — for example, if LDAR activities are extended to new regions, or if significant community concerns emerge that require intensified engagement — the PMU Social Specialist will prepare a budget revision note for Azerigas management and World Bank review. The revised budget will be reflected in the next SEP update.
- 5.1.4.** Budget allocations related to stakeholder engagement will be aligned with the institutional roles defined in Section 5.2, including the PMU Social Specialist, Communications Specialist, GRM Focal Point, and Regional Focal Points.

**Table 6: Estimated Stakeholder Engagement Budget**

Budget Category	Total Costs (USD)
<b>1. Experts</b>	
Communications consultant / Social Safeguards officers	60,000
<b>2. Events</b>	
Organization of public consultations and community meetings	25,000
<b>3. Communication campaigns</b>	
Communication materials (leaflets, posters, PR kits including design)	15,000
<b>4. Trainings</b>	
Training on social/environmental issues and gender-based violence (GBV) for PMU and contractor staff	12,000
<b>5. Grievance Mechanism</b>	
Training on GRM for PMU and regional offices	10,000

Budget Category	Total Costs (USD)
Suggestion boxes and GRM communication materials	8,000
<b>TOTAL</b>	<b>130,000</b>

## 5.2 Management Functions and Responsibilities

**5.2.1.** Azerigas is the recipient and sole beneficiary of the GFMR grant and bears primary responsibility for implementing all SEP activities throughout the project lifecycle. A Project Implementation Unit (PMU) will be established within Azerigas, with dedicated Environmental and Social (E&S) staffing responsible for day-to-day SEP implementation, GRM management, stakeholder communication, and reporting to the World Bank. The PMU reports to Azerigas senior management and coordinates with the 11 regional offices for field-level engagement.

**5.2.2.** The following roles carry specific SEP responsibilities within the PMU and Azerigas regional structure. The PMU Social Specialist serves as the primary owner of the SEP — responsible for planning and coordinating all stakeholder engagement activities, maintaining the stakeholder register, managing the GRM log, preparing semi-annual SEP progress reports, and liaising with the World Bank on E&S matters. The PMU Communications Specialist is responsible for all external communications including website updates, social media, press materials, and printed communication materials. The GRM Focal Point manages the day-to-day operation of the grievance mechanism, including logging complaints, tracking resolutions, and communicating outcomes to complainants within the timeframes set out in Table 8. Regional Focal Points, based in each of Azerigas's 11 regional offices, are responsible for organising and documenting community meetings, manning information desks, collecting and forwarding grievances from suggestion boxes and hotline referrals, and reporting to the PMU Social Specialist monthly. The PMU HSE Officer coordinates OHS induction training for LDAR field crews and contractor staff and ensures occupational safety compliance during field activities.

**Table 7: SEP Roles and Responsibilities Matrix**

SEP Activity	PMU Social Specialist	PMU Comms Specialist	GRM Focal Point	Regional Focal Points	PMU HSE Officer
Stakeholder mapping and register maintenance	Lead	-	Support	Input	-
Community meetings (regional)	Oversee	-	-	Lead	-
National-level government engagement	Lead	Support	-	-	-
Website and social media updates	Approve	Lead	-	-	-
Printed communication materials	Approve	Lead	-	Distribute	-

Information desks (regional offices)	Oversee	-	-	Lead	-
Grievance receipt and logging	Oversee	-	Lead	Input	-
Grievance investigation and response	Lead	-	Support	Support	-
GRM appeals and escalation	Lead	-	Support	-	-
Worker OHS and GRM induction training	Support	-	-	-	Lead
E&S / GBV sensitisation workshops	Lead	-	-	-	Support
Beneficiary perception surveys	Lead	Support	-	Assist	-
Semi-annual SEP progress reports	Lead	Input	Input	Input	-
SEP annual review and update	Lead	-	-	-	-

**5.2.3.** Azerigas has existing Health, Safety and Environmental (HSE) systems in place across its headquarters and 11 regional offices, with up to 70 HSE staff. These existing structures will be leveraged for SEP implementation at the regional level. However, to meet World Bank ESF requirements, dedicated E&S Specialists with specific training in World Bank E&S policies will be appointed to the PMU. Azerigas has already mobilised potential E&S Specialist candidates who will receive targeted training through PMU Academy sessions, World Bank-supported capacity building, and customised ESF training covering ESS10, the Labour Management Procedures (LMP), and GRM operation.

**5.2.4.** A structured capacity building programme will be implemented at project start and maintained throughout implementation. At project launch, all PMU staff with SEP responsibilities will complete a minimum 3-day ESF induction covering World Bank environmental and social policies, SEP obligations, GRM procedures, and reporting requirements. Regional Focal Points will receive a dedicated one-day orientation on community engagement techniques, suggestion box management, and grievance intake. Refresher training will be delivered annually, and additional topic-specific training (e.g. GBV, disability inclusion, community facilitation) will be provided as needs are identified through SEP monitoring.

**5.2.5.** The World Bank Baku Office will provide implementation support throughout the project lifecycle through regular supervision missions (at least annually), review of semi-annual E&S progress reports, and ongoing dialogue with the PMU Social Specialist. The World Bank retains the right to request additional information on SEP implementation, to conduct independent stakeholder consultations, and to require corrective action where SEP commitments are not being met. The PMU will maintain open and timely communication with the World Bank on any significant stakeholder issues or grievance trends.

**5.2.6.** Azerigas is responsible for the preparation and implementation of all ESF instruments required under the World Bank Investment Project Financing (IPF) framework, including this SEP, the Environmental and Social Commitment Plan (ESCP), and Environmental and Social Management Framework (ESMF). Note: this project does not have a standalone Labour Management Procedures (LMP) document; labour management arrangements are addressed in the Project Operations Manual (POM). The PMU will prepare semi-annual E&S progress reports per the ESCP and submit them to the World Bank within the agreed timelines. The PMU Social Specialist is responsible for initiating SEP updates, coordinating internal review, and ensuring disclosure of revised versions in accordance with ESS10 and the ESCP. Any material changes to SEP implementation arrangements, staffing, or budget will be disclosed to the World Bank and updated in the next SEP revision.

## 6. GRIEVANCE MECHANISM

### 6.1 Objective of GM

- 6.1.1. The main objective of a Grievance Mechanism (GM) is to assist in resolving complaints and grievances in a timely, effective, and efficient manner that satisfies all parties involved. The project activities, including physical works for fixing gas leakages in the existing gas distribution network, may generate complaints related to noise, temporary disturbances, safety, and other environmental and social impacts.
- 6.1.2. Azerigas already has a functioning grievance mechanism with multiple intake channels, including an operational hotline, a website, and social network pages. The project will build upon and enhance these existing channels to meet World Bank ESF requirements and to establish a project-specific GRM in line with ESS10.

### 6.2 Description of GM

- 6.2.1. The PMU's GM will provide a channel for dispute resolution during the implementation of the project. However, the GM serves to complement and NOT replace the existing legal channels, such as Courts, Tribunals, and other resource mechanisms for addressing grievances.
- 6.2.2. The GM is designed to improve project outcomes by creating public awareness about the project and its objectives, deterring fraud and corruption, mitigating socio-economic, environmental and personal privacy-related risks, and providing the PMU with practical solutions and feedback during project implementation.
- 6.2.3. The GM will apply to ALL project areas across the Republic of Azerbaijan.
- 6.2.4. The targeted audience for the GRM will range from the following:
- Project Workers – Direct and indirect workers, including LDAR field crews
  - Contractors and Subcontractors
  - Project beneficiaries and their related institutions
  - The general public and affected communities

### 6.3 Structure of GM

- 6.3.1. While Azerigas has a national GM system established to deal with complaints that arise from the everyday functioning of its gas distribution operations, this project GM will address complaints and grievances that are specific to the project. This GM will be uniform and centralized to allow for affected stakeholders to express their grievances and receive a response in a timely manner. SEA/SH-related grievances will be handled through a confidential, survivor-centered process, including safe intake channels, informed consent, and referral to appropriate service providers. No personally identifiable information will be recorded in Project GRM. PMU staff involved in grievance handling will receive SEA/SH-specific training.
- 6.3.2. During consultations, stakeholders will be informed of the GRM in place, as well as the measures put in place to protect them against any reprisal for its use.

### 6.4 Grievance Procedure

- 6.4.1. The following outlines the procedures for the GRM in Table 8.

#### **Table 8: Grievance Procedure**

Step	Description of Process	Time Frame	Responsibility
<p><b>GM Implementation Structure</b></p>	<p>The GM structure consists of:</p> <ol style="list-style-type: none"> <li>1. First-level intake and response: PMU GRM Focal Point, supported by Azerigas Regional Focal Points and contractor working offices.</li> <li>2. Grievance Resolution Committee (GRC): chaired by the Chief Strategy and Sustainability Officer; members include PMU Social Specialist, the PMU GRM Focal Point, a representative of Azerigas management, and (for SEA/SH cases) at least one female member. The GRC reviews unresolved or escalated grievances and authorises resolutions.</li> <li>3. Economic Court (as a last resort, where the complainant remains unsatisfied after exhausting the GRM process).</li> </ol>	<p>Regularly</p>	<p>PMU Social Specialist / GRM Focal Point</p>
<p><b>Submission of grievance</b></p>	<p>Grievances may be submitted through any of the channels listed below. Under Article 1.1 of Law No. 1308-IVQ “On Citizens’ Appeals” (30 September 2015), citizens have the right to appeal to state-owned entities in written or oral form, individually or collectively. Per Article 6.3, written appeals must include the complainant’s full name, patronymic, surname, and address. Per Article 6.9, the text must be legible and the demand clearly stated.</p> <ul style="list-style-type: none"> <li>• Azerigas hotline: 104</li> <li>• Azerigas website: <a href="https://azeriqaz.az/en">https://azeriqaz.az/en</a></li> <li>• Written form submitted to PMU or regional office</li> <li>• Suggestion/complaint box at project site</li> <li>• Social media channels (Facebook, Instagram, LinkedIn)</li> <li>• Note on anonymous submissions: Under Article 6.4 of Law No. 1308-IVQ, appeals that do not meet the identification requirements of Article 6.3 are deemed anonymous and are not accepted or reviewed through the formal national law channel. However, the project GRM, consistent with World Bank ESF requirements and the SEA/SH-sensitive approach described in Section 3.3.1, accepts anonymous complaints through the project-specific channels (complaint boxes, the dedicated anonymous online form). Where a complaint is submitted anonymously, the PMU</li> </ul>	<p>Ongoing</p>	<p>PMU Social Specialist / GRM Focal Point</p>

Step	Description of Process	Time Frame	Responsibility
	will handle it under project GRM procedures but cannot provide a personalised written response under the national law framework.		
<b>Acknowledgement</b>	Upon receipt, the complaint is registered in the grievance log and assigned a registration number and date on the same day of receipt, in accordance with Article 7.4 of Law No. 1308-IVQ “On Citizens’ Appeals”. Per Article 7.4, the complainant may request the registration number, date, and the name of the assigned officer. The complainant is notified of receipt within 2 working days. Per Article 7.1, receiving entities are obliged to accept, register, and process all complaints submitted in accordance with the Law. If the matter falls outside PMU jurisdiction, it must be forwarded to the competent body within 3 working days and the complainant notified (Art. 7.10).	Registration: same day of receipt (Art. 7.4, Law 1308-IVQ). Notification to complainant: 2 working days	PMU Social Specialist
<b>Assessment and investigation</b>	The PMU will assess and investigate the complaint, gathering all necessary information and consulting with relevant parties. Per Article 10.1 of Law No. 1308-IVQ, standard appeals must be resolved within 15 working days; appeals requiring additional study or verification within 30 working days. Article 9.6 specifically provides that for non-state-body entities (including state-owned companies such as Azerigas), complaints are to be reviewed within 20 working days. Per Article 10.2, where extension is needed, the complainant must be informed. Per Article 7.9, if the PMU sends a query to another body for additional information, that body must respond within 7 working days. The project GRM sets 20 working days as its standard for investigation (consistent with Art. 9.6) and requires notification to the complainant if more time is needed (see paragraph 6.4.2).	20 working days (statutory minimum: 15 business days per Art. 9.1, Law 1308-IVQ; extendable to 30 per Art. 9.2)	PMU Social Specialist / GRM Focal Point
<b>Response and resolution</b>	The PMU will provide a written response to the complainant with the proposed resolution within the 20 working-day standard (Art. 9.6, Law No. 1308-IVQ “On Citizens’ Appeals”, 30 September 2015). Per Article 7.5, a complaint is considered resolved when a reasoned substantive response is provided; responses must be in the state language (Azerbaijani). Per Article 7.7, the response must state the issues investigated, measures taken, and	20 working days (Art. 9.1–9.2, Law 1308-IVQ)	PMU Social Specialist / GRC

Step	Description of Process	Time Frame	Responsibility
	(if referred elsewhere) which body has jurisdiction. Per Articles 7.8 and 12.3.3, if the complaint is rejected or only partly satisfied, the response must explain the reasons and inform the complainant of their right to appeal the decision. Per Article 14.0.8, the complainant has the right to appeal administratively and/or through the courts. If not satisfied, the complaint is escalated to the Grievance Resolution Committee (GRC), whose composition is set out in the GM Implementation Structure row above.		
<b>Monitoring and evaluation</b>	Data on complaints are collected in a logbook and electronic database and reported to PMU management on a quarterly basis. Per Article 14.0.6 of Law No. 1308-IVQ, the complainant has the right to request the registration number and date of their complaint at any time. Per Article 14.0.7, the complainant has the right to receive a written response or a referral notice. Per Article 10.2, where the review period is extended, the complainant must be informed. The GRM log will record all of these interactions to ensure compliance with both the national law and World Bank ESF requirements.	Quarterly	PMU Social Specialist
<b>Provision of feedback</b>	Feedback from complainants regarding their satisfaction with complaint resolution is collected as and when complaints are resolved.	Weekly / as resolved	PMU Social Specialist
<b>Training</b>	Training needs for staff/consultants in the PMU, Contractors, and Supervision Consultants are consolidated and a Training Plan is drawn up as necessary.	Semi-annual / Annual	PMU Social Specialist

6.4.2. The standard resolution timeframe for all grievances is 20 working days from the date of acknowledgement. This standard applies consistently to all categories of complaints and is the basis for monitoring and reporting. For complex cases that cannot be fully resolved within 20 working days, the PMU will not automatically extend the deadline to 30 days. Instead, within the 20-day period, the PMU will notify the complainant in writing, explaining: (i) why additional time is required; (ii) what the expected next steps in the investigation or resolution process are; and (iii) a revised estimated timeline for resolution. This notification ensures the complainant is kept informed and maintains trust in the GRM, rather than experiencing an unexplained delay. These service standards are applied consistently in monitoring and reporting.

6.4.3. The GM will provide an appeals process if the complainant is not satisfied with the proposed resolution. Once all possible means to resolve the complaint have been proposed

and if the complainant is still not satisfied, then they should be advised of their right to legal recourse.

**6.4.4.** When relevant, the project will have other measures in place to handle sensitive and confidential complaints, including those related to Sexual Exploitation and Abuse/Harassment (SEA/SH) in line with the World Bank ESF Good Practice Note on SEA/SH. The Grievance committee for SEA/SH will include at least one female member. When taking information and registering grievances of a SEA/SH nature, no identifiable information on the survivor shall be stored in the Grievance Mechanism, and the SEA/SH services provider will use its own case management system to respond to the case.

**6.4.5.** In addition, a Labour GRM mechanism will be in place and will allow workers to raise concerns and grievances related to their employment conditions and ensure that these issues are addressed promptly and fairly. The Labour GRM will be accessible to all project workers and provides multiple channels for submitting grievances, including anonymous complaints. Note: this project does not have a standalone Labour Management Procedures (LMP) document; labour management arrangements, including the Labour GRM, will be described in the Project Operations Manual (POM).

**6.4.6.** The World Bank and Azerigas do not tolerate reprisals and retaliation against project stakeholders who share their views about Bank-financed projects.

## 6.5 Grievance Logs

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As part of ESS10 Annex 1 par 2 requirements for maintenance of “Grievance Logs and Data Base”, the Azerigas PMU will maintain a grievance log as part of the SEP implementation, which will contain, at the minimum, the following information:

- Individual reference number;
- Name of the person submitting the complaint, question, or other feedback, address and/or contact information (unless the complaint has been submitted anonymously);
- Details of the complaint, feedback, or question/her location and details of his / her complaint;
- Date of the complaint;
- Name of person assigned to deal with the complaint (acknowledge to the complainant, investigate, propose resolutions, etc.);
- Details of proposed resolution, including person(s) who will be responsible for authorizing and implementing any corrective actions that are part of the proposed resolution;
- Date when proposed resolution was communicated to the complainant (unless anonymous);
- Date when the complainant acknowledged, in writing if possible, being informed of the proposed resolution;
- Details of whether the complainant was satisfied with the resolution, and whether the complaint can be closed out; and
- Date when the resolution is implemented (if any).

## 6.6 Monitoring and Reporting on Grievances

Details of monitoring and reporting are described below section 7. Day-to-day implementation of the GRM and reporting to the World Bank will be the responsibility of the Azerigas-PMU. To ensure management oversight of grievance handling, an internal audit review will be spearheaded by PMU management for monitoring the overall process, including verification that agreed resolutions are actually implemented.

## 6.7 Central point of contact - PMU

The point of contact regarding the stakeholder engagement program (to be provided and updated by Azerigas-PMU):

### Description Contact details

<b>Name</b>	Ibrahim Kerbalayev
<b>Address</b>	Yusif Safarov 35, AZ1025, Baku, Azerbaijan
<b>Email</b>	Ibrahim.Kerbalayev@socar.az
<b>Telephone</b>	+994 50 8429211

As part of ESS10 Annex 1 par 2, requirement for publicly advertising procedures, any information on the Project and future stakeholder engagement programs will be available on the Azerigas website and will be posted on information boards in the rayon's Executive Power Building. Information can also be obtained from Azerigas in Baku City. Recent monthly E&S reports that document the implementation of the Stakeholder Engagement Plan may be disclosed on the Project website.

## 6.8 Regulatory Framework for Grievance Mechanism

6.8.1. Pertinent to the Stakeholder Engagements, the Constitution of Azerbaijan as the fundamental law of the land, among others, establishes the legislative principle for the engagement of the citizens in political and civil life of Azerbaijan; thus, provides for the following:

- The Right to civil participation is stipulated in Article 54.1 - “right of citizens of the Republic of Azerbaijan to participate in the political and civic life without impediments”.
- Freedom of Information – The Constitution guarantees the right to information in three aspects:
  - Article 39 (Right to live in a healthy environment) – “Everyone has the right to gain information about the true ecological situation and to get compensation for damage done to his/her health and property because of violations of ecological requirements”.
  - Article 50 (Freedom of Information) – provides that – Everyone is free to look for, acquire, transfer, prepare and distribute information; – Freedom of mass media is guaranteed. State censorship in mass media, including press is prohibited.
  - Article 57 para 1 - which gives citizens the right to petition state bodies.

### 6.8.2 Law of the Republic of Azerbaijan No 1308-IVQ dated September 30, 2015 “On Citizens’ Appeals”

6.8.2.1. Law No. 1308-IVQ “On Citizens’ Appeals” (30 September 2015, in force from 15 November 2015) establishes the legal framework governing the right of citizens to submit appeals to state and municipal bodies and to legal entities in state or municipal ownership — including state-owned companies such as Azerigas. As a SOCAR subsidiary operating under state ownership, Azerigas is a “müraciətə baxan subyekt” (subject responsible for considering appeals) within the meaning of Article 3.0.6 of the Law, and is therefore bound by its requirements. The project GRM is designed in full conformity with this Law, supplemented by World Bank ESF requirements where those set higher standards.

6.8.2.2. The Law defines three types of appeals (Article 3.0.2–3.0.5): (i) **təklif** (proposal) — suggestions for improving legislation or the work of state bodies; (ii) **ərizə** (application) — requests related to the exercise of rights and freedoms; and (iii) **şikayət** (complaint) — requests for the restoration and defence of violated rights and freedoms. Appeals may be submitted in written or oral form, individually or collectively, in person or through a representative (Article 1.1). The guiding principles of the Law include: lawfulness; voluntary exercise of the right to appeal; non-discrimination; protection of rights and legitimate interests; prohibition of red tape and delays; and transparency in the work of entities responsible for considering appeals (Article 4.0).

6.8.2.3. The following requirements govern the submission and content of written appeals under the Law. Per Article 6.3, written appeals must state: (i) the name of the receiving entity or official; (ii) the complainant’s full name, patronymic, surname, and address (or place of employment); and (iii) if submitted through a representative, that representative’s details. Per Article 6.9, the text must be legible, the request or demand clearly stated, and must not contain insults or slander. Per Article 6.5, paper-based appeals must be signed and dated by the complainant or their authorised representative. Appeals not meeting these requirements are deemed anonymous (Article 6.4) and are not accepted or reviewed under the national law framework. However, per Article 6.7, electronic appeals submitted via the official website must include the complainant’s electronic or postal address.

**6.8.2.4.** The Law sets out the following procedural obligations for entities responsible for receiving and processing appeals. Per Article 7.1, receiving entities must accept, register, and process all appeals submitted in accordance with the Law; refusal to accept a lawfully submitted appeal is prohibited. Per Article 7.4, each appeal must be assigned a registration number and date of receipt; the complainant may request the registration number, date, and the name of the assigned officer. Per Article 7.5, an appeal is considered resolved when the complainant receives a substantive reasoned response; responses must be given in the state language (Azerbaijani). Per Article 7.7, the response must state the issues investigated and measures taken, or identify the competent body where the matter falls outside jurisdiction. Per Articles 7.8 and 12.3.3, where an appeal is rejected or only partly satisfied, the complainant must be informed of the reasons and of their right to appeal the decision.

**6.8.2.5.** The Law establishes the following timeframes for processing appeals (Article 10). Standard appeals must be considered within 15 working days (Article 10.1). Appeals requiring additional study or verification must be considered within 30 working days (Article 10.1). Article 9.6 specifically provides that for non-state-body entities (including state-owned companies such as Azerigas), corruption-related complaints are reviewed within 20 working days. Per Article 10.2, where the review period is extended, the complainant must be informed of the extension and its reasons. Per Article 10.4, where a delay would cause information to lose its relevance, the appeal must be addressed immediately or within 24 hours. Per Article 10.5, timeframes run from the date of receipt. Per Article 7.9, where a referral query is sent to another body for additional information, that body must respond within 7 working days. Per Article 7.10, where a matter falls outside jurisdiction, it must be forwarded to the competent body within 3 working days and the complainant notified.

**6.8.2.6.** Article 14 of the Law sets out complainant rights during the appeals process. These include: the right to submit additional documents and request relevant materials (Article 14.0.1); the right to request suspension of review (Article 14.0.2); the right to receive the registration number and date of receipt (Article 14.0.6); the right to receive a written response or referral notice (Article 14.0.7); the right to appeal any decision both administratively and through the courts (Article 14.0.8); and the right to request confidentiality of personal, family, professional, or commercial information contained in the appeal (Article 14.0.9). Article 12.4 prohibits any persecution of a complainant for having submitted an appeal. Article 12.5 prohibits the disclosure of information obtained during the review of an appeal, including personal data and state secrets. Article 16 provides that violations of this Law entail civil, administrative, and criminal liability.

### **6.8.3 Law of the Republic of Azerbaijan dated September 30, 2005 “On the right to obtain information”**

**6.8.3.1.** This Law establishes the legal framework for ensuring free, unrestricted and equal information access as prescribed by Article 50 of the Constitution, whereby any person is entitled to apply directly or via his/her representative to the information owner and to choose the type and form for obtaining the information.

### **6.8.4 Law of the Republic of Azerbaijan № 816-IVQ (November 22, 2013) “On public participation”**

**6.8.4.1.** This law provides the framework and regulates the involvement of citizens in the implementation of state management in accordance with the Article 49 (Freedom of assembly) of the Constitution. The law stipulates that public participation consists of:

- Participation in various areas of state and public life, the preparation and implementation of the state policy and the adoption of national and local decisions;
- Participation in public control over the activity of central and local executive authorities, local self-government bodies;
- Participation of civil society institutions in the process of consultations of state and local self-government bodies with the public and in the study of public opinion (through Public Councils).

**6.8.4.2.** The law considers the following forms of public participation:

- Public Councils under central and local executive authorities, local self-government bodies;
- Public discussions during the adoption of decisions of public important;
- Public hearings on draft legal acts and different issues of state and public life;
- Study of public opinion;
- Public discussion of draft legal acts;
- Written consultations on the study of opinions of civil society institutions on draft legal acts.

### **6.8.5 Environmental and Social Impact Assessment Legislation**

**6.8.5.1.** In addition to the legislative acts described, the environmental and social impact assessment process also should include disclosure and stakeholder engagement activities, as per Azerbaijan legislation.

**6.8.5.2.** The Law on Environmental Impact Assessment (EIA Law, 2018) covers scope, procedure and responsibilities for Environmental Impact Assessment, as well as public consultation and disclosure requirements during environmental assessment. According to the Law the Client (Implementing Agency) must inform the local population and society in the project area through the media and public hearings and inform them of the results of the EIA before committing the intended activity (Article 12.1.4). The Client should conduct public hearings in accordance with the Law of the Republic of Azerbaijan “On Public Participation” and involve individuals, legal entities, as well as property owners (Article 4.10). Information on the results of the public hearings and discussions should be included in the EIA document (Article 5.3.12).

**6.8.5.3.** The law also specifies the responsibilities of municipalities for the public hearing activities (Article 11). Thus, the relevant municipality in the area, where the project (or intended activity) is implemented, must take part in the implementation of the EIA and provide the necessary information required for the preparation of the EIA document. In addition, the municipalities should assist people and legal entities, real estate owners, as well as other stakeholders (non-governmental organizations, citizens’ initiative groups and neighborhood committees of municipalities, etc.) to participate in public consultations, if requested by them. In addition, people and civil society institutions have the right to request the client and the planning organization to hold public hearings on the EIA (13.2.2).

**6.8.5.4.** Similarly, Article 15 of the Law on Acquisition of Land for State Needs (2010) requires public meetings on social impacts. Public meetings should be organized and documented by the Client. The objectives of these consultations are to listen and record any statements or objections made by local residents, interested person or representative of the organization on the issues related to the proposed project, and to discuss alternative

proposals, as well as to inform the society on the grievance redress process and other related matters.

**6.8.5.5.** The law also stipulates a requirement for disclosure of the land acquisition and resettlement related information and documents through public consultation and official announcements. Specifically, article 14 demands the Client to disseminate an official announcement on the affected land/property in the area where the affected lands are located and shall take all measures to deliver this announcement to the affected persons. The above legislations are considered positive steps in ensuring engagements of the general citizenry on matters of public interest. However, a study on Public Participation in Environmental Decision-Making in Azerbaijan stated the following observations:

- Notwithstanding reference to Public Environmental Review (PER), the Law on Environmental Protection does not provide any connection between public participation process and decision-making other than stating that “Findings of PER have recommendational and informational character.”
- Legislative and regulatory frameworks also lack clear procedures for holding public hearings on environmental matters.
- The study further recommends that these gaps require existing legislative and regulatory frameworks’ further revision and development for conforming to the Aarhus Convention.

**6.8.5.6.** As a step forward, Azerigas shall take cognizance of the above relevant legislations and notations to ensure that legal requirements on citizen engagement and disclosure are complied with.

## 7. MONITORING AND REPORTING

### 7.1 Summary of How SEP Implementation Will Be Monitored and Reported

**7.1.1.** SEP monitoring is a continuous process that tracks whether planned stakeholder engagement activities are being implemented as agreed, whether they are reaching the intended audiences, and whether they are generating meaningful participation and feedback. Monitoring data will be collected by the PMU Social Specialist and Regional Focal Points using a standardised SEP Monitoring Log maintained in the PMU document management system. The log will record: (i) each engagement activity conducted (type, date, location, attendance by gender); (ii) key issues raised and responses provided; (iii) grievances received, resolved, and pending; and (iv) any deviations from the planned engagement schedule and the reasons for them. The log will be updated within five working days of each activity.

**7.1.2.** The PMU Social Specialist will conduct a monthly internal review of the SEP Monitoring Log to assess implementation progress against the planned schedule in Table 4. Where any of the following triggers are identified, a corrective action note will be prepared within 10 working days and shared with Azerigas management and the World Bank: (i) a planned engagement activity has not been conducted within 30 days of its scheduled date without documented justification; (ii) the GRM average resolution time exceeds the 20 working days standard for two consecutive months; (iii) a regional office has not conducted a community meeting within the required quarterly cycle; or (iv) a vulnerable group has not been reached in a region for more than one reporting period. Corrective actions will be tracked in the SEP Monitoring Log and reported in the next semi-annual progress report.

**7.1.3.** Semi-annual E&S progress reports covering SEP implementation will be prepared by the PMU Social Specialist by 31 July (for the January–June period) and 31 January (for the July–December period) of each year. Annual SEP implementation summaries will be prepared by 28 February each year, consolidating the two semi-annual reports with an assessment of overall progress against the indicators in Table 9 below, lessons learned, and a forward plan for the next 12 months. All reports will be submitted to the World Bank within the timelines agreed in the ESCP.

**7.1.4.** Monitoring responsibilities are distributed across the PMU in line with the roles defined in Section 5.2 and Table 7. The PMU Social Specialist consolidates all monitoring data and prepares reports. Regional Focal Points submit monthly field monitoring summaries to the PMU using a standard template by the 5th of each month. The GRM Focal Point submits a monthly GRM dashboard to the PMU Social Specialist showing open, resolved, and overdue cases. The PMU Communications Specialist tracks digital engagement metrics (website visits, social media reach, hotline call volumes) on a monthly basis. All monitoring data is retained for the life of the project and for five years after project closure.

**Table 9: Stakeholder Engagement Monitoring Indicators, Targets and Responsibilities**

Category / Indicator	Minimum Target / Baseline	Responsible / Frequency
<b>Stakeholder Engagement Activities</b>	Number of community meetings held per region per quarter: minimum 1 Number of national/government stakeholder meetings per year: minimum 2 Attendance at community meetings disaggregated by gender: at least 30% women Number of vulnerable group-specific engagement activities per year: minimum 1 per group per region Minutes and attendance lists prepared and filed within 2 working days of each meeting	Regional Focal Points (monthly data); PMU Social Specialist (semi-annual report)
<b>Information Disclosure</b>	Website updated with project information at least quarterly Printed materials distributed at all 11 regional offices before project field activities commence SEP and ESCP publicly disclosed on Azerigas and World Bank websites within agreed timelines All disclosure materials available in Azerbaijani	PMU Communications Specialist (monthly tracking); PMU Social Specialist (semi-annual report)
<b>Grievance Mechanism</b>	Number of grievances received (by channel, category, gender, region): tracked monthly Grievance acknowledgement within 2 working days: 100% of cases Grievance resolution within 20 working days: target 85% of cases per reporting period For cases not resolved within 20 working days: 100% notified within 20-day period with reason, next steps, and revised timeline Complainant satisfaction rate: tracked via follow-up call/form; target 70% satisfied Zero unresolved grievances open >60 working days without documented escalation reason	GRM Focal Point (monthly dashboard); PMU Social Specialist (semi-annual report)

<b>Vulnerable Inclusion</b>	<b>Group</b>	Percentage of meetings held at physically accessible venues: 100% Number of home visits / telephone consultations conducted for persons unable to attend: tracked Number of female-only community meetings per region per year: minimum 1 Worker GRM induction conducted before field work commencement: 100% of LDAR crews	PMU Social Specialist; Regional Focal Points (monthly)
<b>Beneficiary Feedback</b>		Beneficiary perception survey conducted at mid-implementation and project end: 2 total Percentage of survey respondents reporting satisfaction with project information: tracked Percentage of survey respondents aware of GRM: target 80% by mid-implementation	PMU Social Specialist (survey periods)
<b>SEP Reporting</b>		Semi-annual SEP progress reports submitted to World Bank on schedule: 100% Annual SEP implementation summary prepared by 28 February each year Monthly field monitoring summaries submitted by Regional Focal Points by 5th of each month	PMU Social Specialist (semi-annual and annual)

## 7.2 Reporting Back to Stakeholder Groups

- 7.2.1.** Reporting back to stakeholders — particularly project-affected communities — is a core ESS10 requirement and a central principle of this SEP. Azerigas commits to closing the feedback loop with all stakeholder groups, not only with the World Bank and Government. At each quarterly regional community meeting, the Regional Focal Point will present a plain-language summary of: (i) the status of LDAR activities in the region; (ii) any grievances received and their resolution status (without identifying complainants); (iii) actions taken in response to issues raised at the previous meeting; and (iv) upcoming activities and how communities can continue to engage. A one-page community update bulletin will be prepared in Azerbaijani by the PMU Communications Specialist at least twice per year and distributed through regional offices, community notice boards, and the Azerigas website.
- 7.2.2.** Semi-annual and annual SEP progress reports will be publicly disclosed on the Azerigas website ([azeriqaz.az](http://azeriqaz.az)) and the World Bank external project website within 30 days of submission to the World Bank, subject to any agreed redactions for commercially sensitive or personally identifiable information. The GRM aggregate log (showing numbers and categories of grievances, resolution rates, and average resolution times, but not individual complainant details) will be included as an annex to each semi-annual report. Printed summaries of the annual SEP report will be made available at all 11 regional offices.
- 7.2.3.** This SEP is a living document and will be formally reviewed and updated at the following trigger points: (i) annually as part of the annual SEP implementation summary, incorporating lessons learned and any changes to the stakeholder landscape; (ii) following any significant change in project scope, activities, or area of influence that introduces new affected parties or new social risks; (iii) following the mid-implementation beneficiary perception survey, to incorporate stakeholder feedback into engagement methods; (iv) if monitoring reveals a systematic failure to reach a specific stakeholder group for two or more consecutive reporting periods; and (v) at the request of the World Bank following a supervision mission. All SEP revisions will be disclosed on the Azerigas and World Bank websites and

communicated to stakeholders through the standard engagement channels described in Section 4.

- 7.2.4.** Where monitoring reveals that SEP commitments are not being met — including missed community meetings, GRM resolution delays, or failure to reach vulnerable groups — the PMU Social Specialist will prepare a corrective action plan within 10 working days, share it with Azerigas management and the World Bank, and track implementation in the SEP Monitoring Log. Persistent non-compliance will be escalated to Azerigas senior management and documented in the next semi-annual progress report submitted to the World Bank.

## Annex 1. Summary of Public Consultations

This annex provides a summary of stakeholder consultations and engagement activities conducted during the preparation phase of the Azerigas Gas Leak Detection and Repair Facility Project (LDAR, P508792). Consultations were carried out between mid-2024 and March 2026 in accordance with World Bank Environmental and Social Standard 10 (ESS10) on Stakeholder Engagement and Information Disclosure.

The following table summarises the key consultation events, participants, issues raised, and responses provided.

**Table A1: Summary of Stakeholder Consultations Conducted During Project Preparation (2024–2026)**

Date	Event Activity /	Location	Participants	Key Issues / Topics Raised	Response / Outcome
Mid-2024	World Bank ESF Introduction to Azerigas	Baku, Azerbaijan	Azerigas management, World Bank team	Introduction to Environmental and Social Framework (ESF); obligations under ESS10; project preparation requirements	Azerigas acknowledged ESF requirements; agreed to prepare SEP, ESCP and related instruments; committed to establishing a dedicated PMU with E&S staff
Summer 2025	World Bank Procurement Training	Baku, Azerbaijan	2 Azerigas procurement experts, World Bank specialists	World Bank procurement procedures; fiduciary requirements; contract management for LDAR equipment and services	Two Azerigas experts successfully completed WB procurement training; procurement readiness for project implementation confirmed
2024–2025	Italgas LDAR Pilot Collaboration	Baku distribution network	Azerigas technical staff, Italgas specialists	Leak detection and repair methodologies; equipment requirements; best practice from EU gas distribution sector; scope definition for the LDAR	Pilot activities informed project design and component scope; LDAR equipment specifications and repair workflows adopted into project planning
Late 2025	Engagement with Ministry of Energy (MoE)	Baku, Azerbaijan	Azerigas senior management, MoE representatives	Project objectives; alignment with national energy sector modernisation goals; regulatory and policy context	MoE expressed strong support for the project and concurred with the modernisation needs of Azerigas gas distribution infrastructure
Late 2025	Engagement with Azerbaijan Energy Regulatory Agency (AERA)	Baku, Azerbaijan	Azerigas management, AERA representatives	Regulatory framework for gas distribution; tariff implications; LDAR reporting and compliance obligations	AERA expressed support for the project; confirmed alignment with regulatory modernisation agenda for the gas distribution sector
Late 2025	Engagement with SOCAR (Parent Company)	Baku, Azerbaijan	Azerigas management, SOCAR representatives	Corporate governance arrangements; grant recipient and	SOCAR confirmed strong institutional support for LDAR; endorsed Azerigas as recipient and sole

				beneficiary roles; alignment with SOCAR ESG commitments	beneficiary of the GFMR grant
Q1 2026	Internal Azerigas PMU Mobilisation Consultation	Baku, Azerbaijan (Azerigas HQ)	Azerigas management, prospective E&S Specialist staff, PMU team members	PMU organisational structure; E&S staffing requirements; roles and responsibilities for SEP implementation; GRM setup	Azerigas initiated organisational restructuring; mobilised prospective E&S Specialist and other PMU staff; confirmed resource commitment for SEP implementation
March 2026	SEP and ESCP Disclosure and Review	Azerigas website and World Bank external website	General public, project-affected parties, government agencies, civil society	Draft SEP and ESCP disclosed for public comment; stakeholder feedback on proposed GRM and engagement methods invited	Draft documents disclosed in Azerbaijani and English; feedback period opened in accordance with ESS10 requirements; comments to be incorporated into final versions

*Note: Attendance lists, meeting minutes, and photographic records from individual consultation events are maintained by the Azerigas PMU and are available upon request. Additional consultation records will be appended to this Annex as project implementation progresses.*

## Annex 2. Example Grievance Submission Form

### Azerigas Gas Leak Detection and Repair Facility (P508792) – Grievance Submission Form

Please complete this form and submit it to the PMU or any Azerigas regional office.

<b>Date of submission</b>	
<b>Reference number (for office use)</b>	
<b>Complainant Information</b>	
<b>Full name (optional – anonymous submissions accepted)</b>	
<b>Address / Location</b>	
<b>Contact details (telephone / email)</b>	
<b>Preferred method of response</b>	<input type="checkbox"/> In person <input type="checkbox"/> By telephone <input type="checkbox"/> By email <input type="checkbox"/> By post <input type="checkbox"/> No response needed
<b>Grievance Details</b>	
<b>Provide details of your grievance. Please describe the problem, who it happened to, when and where it happened, and how many times.</b>	
<b>What is your suggested resolution for the grievance, if you have one?</b>	
<b>How have you submitted this form to the project?</b>	<input type="checkbox"/> Website <input type="checkbox"/> Email <input type="checkbox"/> By telephone <input type="checkbox"/> In person <input type="checkbox"/> By post <input type="checkbox"/> Other (specify): _____
<b>Signature</b>	
<b>For Office Use Only</b>	
<b>Name of Focal Point person assigned responsibility</b>	
<b>Resolved or referred to GRC?</b>	<input type="checkbox"/> Resolved <input type="checkbox"/> Referred to GRC                    (If referred, date: _____)
<b>Completion</b>	
<b>Final resolution (briefly describe)</b>	

<b>1st proposed solution</b>	Short description: Accepted? <input type="checkbox"/> Yes <input type="checkbox"/> No Acknowledgment signature: _____
<b>2nd proposed solution</b>	Short description: Accepted? <input type="checkbox"/> Yes <input type="checkbox"/> No Acknowledgment signature: _____
<b>3rd proposed solution</b>	Short description: Accepted? <input type="checkbox"/> Yes <input type="checkbox"/> No Acknowledgment signature: _____