REPUBLIC OF AZERBAIJAN

State Oil Company of the Republic of Azerbaijan

SOCAR | AZERIGAS PU

Azerigas Production Union

azəriqaz

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

Azerigas Gas Leak Detection and Repair Facility

Project Code: P508792

Financed by: Global Flaring and Methane Reduction Partnership (GFMR) Trust Fund | World Bank (IBRD)

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Project Management Unit

In coordination with the World Bank

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Abbreviations and Acronyms

E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standard (World Bank)
ESCOPs	Environmental and Social Codes of Practice
ERP	Emergency Response Plan
ECS	Emergency Call Service
GBV	Gender-Based Violence
GFMR	Global Flaring and Methane Reduction Partnership
GRM	Grievance Redress Mechanism
HSE	Health, Safety and Environment
IBRD	International Bank for Reconstruction and Development
LDAR	Leak Detection and Repair
LMP	Labor Management Procedures
MRV	Monitoring, Reporting and Verification
OGI	Optical Gas Imaging
OHS	Occupational Health and Safety
PMU	Project Management Unit
POM	Project Operating Manual
PPE	Personal Protective Equipment
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
SEP	Stakeholder Engagement Plan
SCADA	Supervisory Control And Data Acquisition
SOCAR	State Oil Company of the Republic of Azerbaijan
SOP	Standard Operating Procedure
VOC	Volatile Organic Compound
WMP	Waste Management Plan

Executive Summary

1. The World Bank, acting as administrator of the Global Flaring and Methane Reduction Partnership (GFMR) Trust Fund, is supporting Azerigas Production Union under the State Oil Company of the Republic of Azerbaijan (SOCAR), with the oversight from the Ministry of Energy, in implementing Azerigas Gas Leak Detection and Repair Facility ("the Project"). The Project Development Objective is to systematically detect, quantify, and repair fugitive methane and volatile organic compound (VOC) emissions from the Azerigas gas distribution network, thereby reducing greenhouse gas emissions, improving operational efficiency, and enhancing worker and community safety. The aim of the Project is 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 for methane leak detection and repair in the gas distribution system. The Facility will cover the entire legacy gas distribution network. The Facility 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 the Recipient of the grant, and its sole Beneficiary. The money will be allocated for a series of detection and repair activities to reduce fugitive emissions of methane.
2. **The Project will support the following key activities:**
    - **Leak Detection And Repair (LDAR) Survey Campaigns:** Systematic deployment of LDAR technologies (Optical Gas Imaging - OGI) cameras, acoustic detectors, handheld gas monitors) across Azerigas gas distribution infrastructure
    - **Repair and Replacement Works:** Repair or replacement of identified leaking components including valves, fittings, meters, regulators, seals, and flanges
    - **Data Management and Verification:** Establishment of a digital LDAR data management system to track, prioritize, and verify emission reductions
    - **Capacity Building:** Training of Azerigas Project Management Unit (PMU) staff, Health, Safety and Environment (HSE) Department, field teams, and contractors on LDAR methodologies and E&S risk management
3. Project activities will take place across the Azerbaijan gas distribution network operated by Azerigas, with priority focus on urban distribution systems and peri-urban networks. Individual sites for the Project intervention will be identified based on the outcomes of LDAR survey and E&S screening. LDAR surveys identify leakage points and potential intervention sites, while the E&S screening process is applied to determine whether the identified interventions are eligible for financing under the Project. Interventions assessed as high risk will not be eligible for Project support.
4. This Environmental and Social Management Framework (ESMF) is prepared to guide application of due E&S diligence to all individual Project investments. It provides tools to identify E&S risks and potential impacts of proposed Project activities and identify suitable mitigation measures to manage these risks and impacts. The ESMF sets out Project implementation arrangements, describes applicable national E&S laws and regulations as well as the World Bank's policies and Environmental and Social Standards (ESSs) relevant for the Project, formulates arrangements for robust stakeholder engagement and grievance redress, discusses types of generic E&S risks against which individual investments should be screened, and provides a generic set of mitigation measures to be adjusted and applied at individual Project sites.
5. This ESMF is prepared in accordance with the World Bank's Environmental and Social Framework (ESF), specifically addressing ESS1, ESS2, ESS3, ESS4, ESS6, ESS8, and ESS10, as relevant to the Project. Project risk taking on both environmental and social aspects is moderate. Hence, no substantial- or high-risk activities will be supported by the Project.

6. E&S risks of the Project will be managed through the present ESMF, including Occupational Health and Safety (OHS) Management Plan, Waste Management Plan, Emergency Response Plan, and Chance Find Procedure; the Project-level Stakeholder Engagement Plan (SEP); the accessible and effective Project-level GRM operated by Azerigas; as well as site-specific Environmental and Social Management Plans (ESMPs) to be prepared following the ESMF guidance; Labor Management Procedures included in the Project Operating Manual; and Environmental and Social Code of Conduct and workers' GRM to be adopted and operated by contractors.
7. E&S risks associated with the Project implementation come from works to be undertaken for fixing gas leakages in the existing gas distribution network and include those related to the generation of various types of waste, temporary disturbance of communities due to noise, fume and vibration, and safety risks emerging from handling combustible substances and machinery. Labor and OHS risks are relatively low as the Project will only involve minor repair works. Labor requirements under the Project will include measures to address sexual exploitation and abuse / sexual harassment (SEA/SH). Overall, the Project will be beneficial for community health and safety due to capturing of gas leaks in the existing network. Implementation of physical works may cause temporary disturbance to communities. The gas network is located on state property, and access to private properties is not expected to be restricted. However, interventions will be screened to identify any resettlement impact, including restrictions on land use. Risk screening will inform decisions on the need and type of site-specific E&S instruments to be prepared by Azerigas. Templates for preparing site-specific ESMPs and ESMP Checklists are attached to this ESMF. The type of site-specific E&S instrument will be determined through screening. A full site-specific ESMP will be required for interventions involving more complex repair works, excavation, works in sensitive or densely populated areas, significant community health and safety risks, hazardous waste generation, or other risks requiring detailed mitigation and monitoring measures. An ESMP Checklist may be used for small-scale, routine repair works with limited, predictable, site-specific impacts that can be addressed through standard mitigation measures and good housekeeping practices.
8. **Implementation Arrangements.** The state company Azerigas, which is the second largest company within the State Oil Company of Azerbaijan Republic (SOCAR) group, is the recipient and the beneficiary of the GFMR grant and the designated implementing agency for the Project. Azerigas is supported by the PMU staffed with an Environmental Specialist, a Social Specialist, and a Stakeholder Engagement Specialist. PMU is responsible for the overall Project execution, including financial management, monitoring and evaluation, and ensuring compliance with the national E&S regulatory framework and the World Bank's relevant ESSs with technical support from the Azerigas HSE Department. The PMU will establish coordination arrangements with relevant local governments and emergency services prior to commencement of works in each area. The PMU develops semiannual Project Progress Reports, including status of E&S performance, to be submitted to the World Bank by Azerigas.
9. M**onitoring**. The PMU conducts regular site visits and monitoring, tracks Project performance, and prepares biannual progress reports. These reports cover the implementation of E&S risk management measures, OHS, community health and safety, stakeholder engagement, public notifications, and summary of grievances received. Grievances and beneficiary feedback are systematically tracked as part of the monitoring process. Azerigas notifies the World Bank within 48 hours of any E&S incident or accident that may have a significant adverse effect on the environment, affected communities, the public, or workers engaged in Project implementation, followed by the Root Cause Analysis and the Corrective Action Plan. Before Project closure, the PMU prepares a Project Completion Report for submission to the World Bank by Azerigas.
9. **Stakeholder Engagement.** A SEP is prepared for the Project in alignment with the World Bank's ESS 10 and is available at hhttps://wwwazeriqaz.az/en. The SEP formulates the format of the flow of Project information and feedback between Azerigas and the Project stakeholders, provides a mechanism for meaningful involvement of stakeholders into the Project implementation, and details all types of grievance redress mechanisms and contact details. The project-level GRM offers multiple channels (phone, email, in-person; accessible formats) and is designed to acknowledge complaints within 3 working days, and resolve within 15 working days, with appeals and confidentiality/risk-based handling of SEA/SH.

1. Introduction

10. This Environmental and Social Management Framework (ESMF) has been developed to support the environmental and social due diligence provisions for activities financed under the Azerigas Gas Leak Detection and Repair Facility Project (the Project), funded by the Global Flaring and Methane Reduction Partnership (GFMR) Trust Fund administered by the World Bank (IBRD). The Recipient is Azerigas Production Union, with the involvement of SOCAR, as set out in the Grant Agreement.
11. A Project Management Unit (PMU) established within Azerigas for the Project, will undertake day-to-day management of the Project, with technical oversight from the Azerigas Health, Safety, and Environment (HSE) Department and in coordination with SOCAR and the Ministry of Energy. The PMU includes a dedicated Environmental Specialist and Social Specialist.
12. This ESMF has been prepared consistent with: (i) Environmental and Social Standards (ESSs) of the World Bank relevant for the Project; (ii) the Environmental and Social Commitment Plan (ESCP) of Azerigas produced for this Project as part of the Grant Agreement on its funding; and (iii) the national laws and regulations of the Republic of Azerbaijan applicable to environmental protection, occupational health and safety, labor, and community engagement.
13. The primary purpose of the ESMF is to systematically identify, assess, and mitigate any negative environmental and social risks and potential impacts that may arise during implementation of subprojects to be supported by the Project. By doing so, the ESMF ensures that the Project not only achieves its technical and operational goals but also ensures the well-being of affected communities and safeguard natural environment in accordance with ESSs of the World Bank relevant to the Project and Azerbaijan's regulatory framework. The ESMF:
    (a) overviews E&S risks and potential impacts of the Project and lays out organized approach to risk mitigation;
    (b) integrates E&S due diligence into subproject planning and implementation through establishing procedures for E&S screening, risk identification, site-specific mitigation planning, monitoring, and reporting;
    (c) provides ESMF implementation arrangements specifying roles and responsibilities of parties involved in Project implementation;
    (d) sets forth information disclosure, stakeholder consultation, and grievance redress mechanisms at subproject level;
    (e) identifies staffing, training, and capacity building requirements; and
    (f) estimates costs of ESMF implementation.
14. This ESMF should be read together with the Labor Management Procedures (LMP), prepared as part of the Project Operating Manual (POM), the Stakeholder Engagement Plan (SEP), and the ESCP. A Project-level Grievance Redress Mechanism (GRM) is detailed in the SEP, and a worker-specific GRM is included in the LMP as a part of this ESMF. These documents collectively ensure a comprehensive approach to managing the environmental and social aspects of the Project, promoting sustainable development and compliance with both the World Bank and national standards.

2. Project Description

15. Development Objective of the Azerigas Gas Leak Detection and Repair Facility Projec is to reduce fugitive methane emissions from the gas distribution network and strengthen asset management capacity in Azerigas, a state-owned natural gas distribution company of Azerbaijan. The Project will establish a recipient-executed Financial Facility under Azerigas Production Unit for methane leak detection and repair in the gas distribution system. The Facility will cover the entire legacy gas distribution network. It 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 the Recipient of the grant, and its sole Beneficiary. The money will be allocated for a series of detection and repair activities to reduce fugitive emissions of methane.
16. Azerigas is a ring-fenced business unit within the State Oil Company of Azerbaijan Republic (SOCAR) group with unbundled accounts, responsible for distribution and sales of natural gas to the domestic market in Azerbaijan. The company is experiencing significant gas leaks (fugitive methane emissions) from its legacy assets, most of which are more than fifty years old, estimated at 160 million m^3/year (107 kilotonnes per annum (ktpa) CH_4). Analysis suggests that around eighty percent by volume of these gas leaks can be repaired with straightforward and cost-effective interventions of the Project within a 7-year period. Using a global warming potential (GWP) factor of 28, this would result in greenhouse gas (GHG) abatement of 2.4 million metric tonnes per annum (mmtpa) CO_2e. The Project will establish a recipient-executed Financial Facility for gas leak detection and repair (LDAR) in the gas distribution system operated by Azerigas. The Facility will be launched with an initial grant from the GFMR trust fund. SOCAR will be the Recipient of the grant and the holder of grant and Facility accounts, and Azerigas will be the sole beneficiary of the grant and the implementing entity responsible for day-to-day implementation and project management. The money will be reallocated from SOCAR to Azerigas for agreed leak detection and repair activities to reduce fugitive emissions of methane on a rolling basis. The Project will build on lessons learned from Azerigas' pilot gas leak baseline program in Baku. Repair activities will be proposed and implemented by Azerigas according to preliminary agreed eligibility criteria. Proposed activities will be prioritized based on cost, complexity, impact, and other relevant criteria to maximize the amount of emissions reduced per US$ deployed.
17. To guarantee a longer-term impact of the Project, majority of financial benefits resulting from gas savings as a consequence of leak repair will be re-invested into the Facility, so as to mobilize additional capital to further rehabilitate Azerigas assets. Furthermore, the GFMR proceeds initially, and the Financial Facility subsequently will be used to build capacity within Azerigas to carry out monitoring, reporting and verification (MRV) of emissions in line with the OGMP 2.0 standard. GFMR grant funding will enable activities that would otherwise not take place due to the strained and constrained financial situation of Azerigas, unlocking methane emission abatement action within the current decade. Azerigas Production Union is the state-owned company responsible for natural gas distribution across the Republic of Azerbaijan, serving residential, commercial, and industrial consumers through thousands of kilometers of pipelines, distribution stations, pressure regulating units, valves, meters, and related infrastructure.
18. Fugitive methane emissions from gas distribution infrastructure represent a significant source of GHG emissions and pose direct occupational and community safety risks. The Project addresses these emissions through a structured LDAR approach, supporting Azerbaijan's climate commitments and Azerigas's operational efficiency objectives.

2.1 Project Components

- **Component 1 – Equipment for gas leak detection and repair (US$8 million).** This component will finance the procurement and installation of cluster meters, methane emission detection and metering equipment, small spare parts (e.g., connectors, valves, small pipe sections), and adequate clothing and personal protective equipment (PPE) for LDAR crews.
- **Component 2 – *Procurement of services for leak detection program (US$ 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 (US$ 3.8 million).*** This component will finance activities to carry out monitoring, reporting and verification of emissions in line with the OGMP 2.0 standard, and digital solutions (e.g., the integration of leak detection and repair data into the GIS system being developed by the company).

2.2 Project Area

19. Project activities will take place across the Azerbaijan's gas distribution network (see country map in Figure 1 below). Priority areas will be identified based on LDAR survey results. Specific site locations will be confirmed through the E&S screening process.

Figure 1: Map of Azerbaijan and Neighboring Countries

2.3 Implementation Arrangements

20. The Project is implemented by Azerigas Production Union of the SOCAR group, with an oversight from the Ministry of Energy. Day-to-day Project management is undertaken by the Azerigas Project Management Unit PMU responsible for ensuring that technical delivery, fiduciary functions, and environmental and social (E&S) risk management are integrated into all Project activities.

21. **Project Management Unit.** The PMU performs core functions for Project management, such as procurement, financial management, E&S risk management, and monitoring and evaluation. PMU is staffed with professionals of relevant skill mix including an Environmental Specialist and a Social Specialist. The PMU is responsible for planning and prioritization of LDAR campaigns and repair works, preparing and disclosing E&S instruments, engaging with stakeholders and managing grievances, supervising contractors and field teams, and consolidating technical and E&S reporting to SOCAR/Ministry of Energy and the World Bank.
22. **Technical delivery and oversight.** Azerigas regional operations teams support field execution of LDAR surveys and repair activities and provide site access, operational clearances, and technical inputs. HSE Department of Azerigas provides technical oversight of occupational health and safety (OHS) requirements and emergency preparedness, including review of the method statements and verification of compliance during site visits. Where contractors are engaged, they will be responsible for implementing site-specific Environmental and Social Management Plans (ESMPs) and maintaining site records, while the PMU will supervise performance and enforce contractual E&S requirements, that may include prescribing and following up on the implementation of corrective actions, as needed.
23. **Coordination, approvals, and reporting.** The PMU works with various departments of Azerigas participating in the Project implementation based on their corporate mandates and external institutions involved with the Project for information exchange and coordination, as required. The PMU also engages with external partners and authorities to facilitate Project implementation. This includes working with the Ministry of Ecology and Natural Resources and other national and regional authorities to secure required permits and ensure that waste handling and disposal are conducted through licensed entities. Prior to commencement of works in each area, the PMU will establish coordination arrangements with relevant local governments and emergency services, where relevant, with local governments and emergency services to support community notifications, traffic management, and emergency response.
24. The PMU is responsible for monitoring project implementation and the attainment of its progress indicators, evaluating results, and compiling information needed for Azerigas reporting to SOCAR, the Ministry of Economy, external stakeholders, and the World Bank. The PMU receives monthly reports from contractors and their supervision companies and uses this information for adaptive management of the Project. The PMU undertakes quality control of contractors' and supervisors' reporting. Based on their inputs, the PMU produces quarterly Project Progress Reports, including accounts on the E&S performance, for the submission to the World Bank. The PMU provides highlights of Project implementation and challenges to the World Bank team prior to semi-annual implementation support missions; helps the World Bank team with mission planning, facilitates meetings with relevant stakeholders and field trips, as required. PMU supports Azerigas in notification of the World Bank on environmental and social accidents and incidents within 48 hours from learning of their occurrence and coordinates subsequent Root Cause Analysis and development and implementation of Corrective Action Plan. Prior to the Project closure, PMU shall draft the Recipient's Project Completion Report for the submission to the World Bank by Azerigas.

3. Relevant Environmental and Social Regulatory Framework

25. The Project is implemented in compliance with the applicable E&S laws and regulations of Azerbaijan and the World Bank's Environmental and Social Framework. This chapter presents an overview of the major national environmental and social laws and regulations that are applicable to activities supported by the Project, national authorities administering and enforcing these laws and regulations, the relevant ESSs of the World Bank, and gaps between the national E&S regulatory framework and the ESS requirements.

3.1 Azerbaijan Legal Framework Relevant for the Project

Law / Regulation	Relevance to the Project
Environmental Code of the Republic of Azerbaijan (2018)	Primary environmental legislation; sets principles for pollution prevention, environmental protection, and State Ecological Expertise for industrial activities, including gas infrastructure.
Law on Environmental Impact Assessment (1996, amended 2018)	Requires State Ecological Review for projects with potential environmental impacts; applicable to gas infrastructure maintenance and upgrade activities.
Law on Subsoil (1998, amended 2019)	Governs exploration and use of subsoil resources; applicable to Azerigas gas field and distribution operations.
Air Protection Law (2001)	Regulates atmospheric emissions including VOCs and methane from gas distribution systems; requires emission permits and monitoring — directly applicable to LDAR.
Water Code (1997)	Protects surface and groundwater from contamination; relevant to spill/leak risk management near water bodies.
Labor Code (1999, amended 2026)	Regulates employment conditions, working hours, and OHS obligations for all project workers, consistent with ESS2 requirements. Prohibits discrimination based on gender, ethnicity, age, disability; applies to project recruitment, labor management, and community engagement.
Law on Occupational Safety and Health (2010)	Requires employers to ensure safe working conditions; directly applicable to LDAR field technicians and equipment handlers operating near pressurized systems.
Law on Personal Data Protection (2010)	Applies to management of worker and stakeholder data collected during LDAR implementation and grievance mechanism.
"Technical Regulations on Gas Supply Safety" approved by the Cabinet of Ministers of the Republic of Azerbaijan.	Sets national standards for safe operation of gas distribution networks, maintenance procedures, and leak detection requirements.

3.2 Azerbaijan Institutional Framework Relevant for the Project

Azerigas

26. Azerigas is a state-owned closed joint stock company distributing gas to residential and non-residential consumers countryside. Azerigas is the second-largest company within the SOCAR group. It is the recipient and the beneficiary of the GFMR grant and the designated implementing agency for the Project.

SOCAR

27. SOCAR is a state-owned national oil and gas company undertaking exploration, preparation, exploitation of onshore and offshore oil and gas fields, transportation, processing, refining and sale of oil, gas, condensate and other related products. SOCAR will receive information on the Project implementation and provide high-level support and coordination as required.

Ministry of Economy of the Republic of Azerbaijan

28. Ministry of Economy is the central executive authority responsible for formulating and implementing state policy in the areas of economic development, developing macroeconomic forecasts, creating a favorable environment for economic growth and sustainable development, promoting investment, fostering entrepreneurship and industrial development, regulating the licensing and permitting system, managing state property, maintaining state cadaster and organizing state administration of land, etc. Ministry of Economy will receive information on the Project implementation as an input to the wholistic vision of the country's economic development.

Ministry of Ecology and Natural Resources of the Republic of Azerbaijan

29. Ministry of Ecology and Natural Resources is the primary public authority responsible for environmental assessment, permitting, and compliance monitoring. This ministry undertakes the State Ecological Review (SER) of industrial activities. Individual interventions of the Project may be subject to the environmental impact assessment and permitting requirements of the Republic of Azerbaijan, including the SER by the Ministry of Ecology and Natural Resources. The outcome of this process is the issuance of an environmental clearance or permit, as required under Azerbaijani legislation.

3.3 World Bank Environmental and Social Standards and Key Gaps

29. The Project follows the World Bank's ESSs relevant for the Project and the EHS Guidelines of the World Bank Group (General Guidelines and Gas Transmission and Distribution sector guidelines). The World Bank classified the Project as an operation carrying Moderate E&S risk. Azerigas developed and took legal responsibility to implement Environmental and Social Commitment Plan (ESCP) for the purposes of the Project implementation to close existing gaps between the national E&S regulatory framework and the requirements of the World Bank's ESF. ESCP is disclosed at http://www.azeriqaz.az/en. Relevant ESSs and ESCP commitments undertaken to meet requirements of the respective ESS are summarized below:

ESS	Applicability	Key ESCP Commitments
ESS1 – Assessment and Management of E&S Risks and Impacts	Relevant	ESMF prepared before Project appraisal [1](1.1.a)[2]; site-specific ESMPs developed prior to tendering of works for each works site (1.1.b); E&S specifications included in works contracts (1.2).
ESS2 – Labor and Working Conditions	Relevant	LMP prepared as part of POM before Project appraisal (2.1); OHS Management Plan prepared as part of ESMF (2.2); Worker GRM established before engaging workers (2.3).
ESS3 – Resource Efficiency and Pollution Prevention and Management	Relevant	Waste Management Plan prepared as part of ESMF (3.1); resource efficiency and pollution prevention measures incorporated in ESMF and ESMPs (3.2).
ESS4 – Community Health and Safety	Relevant	Traffic and road safety measures included in ESMF and ESMPs (4.1); gas pipe explosion response and community safety measures included in ESMF and ESMPs (4.2); SEA/SH measures included in ESMF and ESMPs(4.3).
ESS5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not relevant	N/A
ESS6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant	Biodiversity risk management measures incorporated in ESMF and ESMPs (6.1).
ESS7 – Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not relevant	N/A
ESS8 – Cultural Heritage	Relevant	Chance Find Procedures described in ESMF and to be incorporated in ESMPs as required (8.1).

[1] Appraisal is an important milestone in the process of project preparation by the World Bank, at which the Bank reviews, agrees with the client, and documents all technical parameters of a proposed project.
[2] References are made to respective commitments made in the ESCP.

ESS9 – Financial Intermediaries	Not relevant	N /A
ESS10 – Stakeholder Engagement and Information Disclosure	Relevant	SEP prepared before Project appraisal by the World Bank (10.1); Project-level GRM established before Project appraisal and maintained throughout Project implementation (10.2).

4. Environmental and Social Risks, Potential Impacts, and Mitigation Measures

30. This section provides summary of E&S risks and expected impacts of the Project linking them to specific types of Project activities; provides a generic set of mitigation measures prescribed to manage the anticipated negative impacts noting the timeframe of their application and responsible parties; identifies vulnerable groups among Project-affected people and specifies how mitigation measures should be adjusted to their needs. This E&S risk management matrix is intended to guide application of due E&S diligence to individual subprojects to be identified, prepared, and implemented under the Project. It is a framework-level tool designed to support the identification of typical risks, impacts, and mitigation measures associated with the types of activities that may be financed under the Project.
31. Also, this section carries OHS Management Plan, Waste Management Plan, Community Health and Safety Plan, Emergency Response Plan (ERP), and Chance Find Procedure prepared for Azerigas for the Project needs based on corporate procedures and requirements of relevant ESSs of the World Bank. Provisions of these plans will be transposed to site-specific ESMPs of Azerigas during preparation of subprojects and will be used by works contractors for the preparation of contractor's ESMPs.
32. The matrix and the associated plans do not replace site-specific assessment. For each eligible subproject, the relevant risks, impacts, and mitigation measures will be confirmed and adapted through the screening process and reflected in the applicable site-specific instrument, such as a full ESMP or an ESMP Checklist, as appropriate to the nature, scale, location, and risk profile of the intervention.
33. For small-scale, routine repair works with limited, predictable, and site-specific impacts, the applicable Environmental and Social Codes of Practice (ESCOPs) may be used as the standard mitigation instrument, either on a stand-alone basis where appropriate or in conjunction with a site-specific ESMP or ESMP Checklist.

Table 4.1. Environmental and Social Risks and Mitigation Measures

Activity	Risks and Impacts	Mitigation Measures	Timeframe	Responsible agency / entity
General Project Implementation	- Labor and Working Conditions: Risks from failing to provide fair, safe, and healthy working conditions, including forced and child labor, and discrimination against certain categories of workers - Community Health and Safety: Adverse impacts on the health, safety, and security of project-affected communities, including risks associated with gender-based violence and climate change/natural hazards during the project lifecycle - Impact on members of the public during rehabilitation/civil works for the repairing activities.	- Ensure that no forced labor is employed, which includes any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. This covers indentured labor, bonded labor, or similar labor-contracting arrangements. - Provide a safe and healthy work environment, taking into account inherent risks in the particular sector and specific classes of hazards in the work areas, including physical, chemical, biological, and radiological	Throughout the project lifecycle	Azerigas PMU; Regional Operations Teams; Azerigas HSE Department (oversight); Contractors (if engaged)

		hazards, and specific threats to women. - Implement preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances. - Train workers on safety protocols and ensure proper documentation and reporting of occupational accidents, diseases, and incidents. - Establish emergency prevention, preparedness, and response arrangements - Provide training on Occupational Health and Safety (OHS) to workers, particularly on workers' code of conduct (CoC). - Conduct community sensitization and empowerment programs for women and girls to address issues related to SEA/SH - Adhere to established labor laws regarding working hours, leave entitlements, and other employment conditions - Implement robust safety protocols, including clearly marked signage, barriers, and designated pedestrian pathways to protect the public from construction hazards.		
Operation Phase	- Adherence to state standards and national requirements might not be sufficient. Including: - Health and Safety Standards. - Environmental Standards. - Labor Standards - International Best Practices	- Follow state standards and national requirements as per the National Economy Minister's order. - Preparation of Waste Management Plan - Ensuring adequate occupational health	During the project implementation	Azerigas PMU; Regional Operations Teams; Azerigas HSE Department (oversight); Contractors (if engaged)

		and safety measures during construction and operational phases - Proper disposal of waste and pollution control and asbestos. - Providing fair working conditions, preventing forced and child labor, and adhering to anti-discrimination laws - Adopting good international practices for various aspects, such as construction, waste management, and occupational safety, which might go beyond local regulations		
Disruption of Local Communities	- Disruption from civil works, including: - changes in project scope, defective plans, severe weather, strikes, unavailability of materials, equipment breakdowns, and more	- Comprehensive Planning: Develop detailed project plans with risk assessments and contingency plans. - Effective Communication: Maintain clear communication among all stakeholders. - Regular Monitoring: Continuously track progress and address deviations early. - Risk Management: Implement a risk management framework with mitigation strategies. - Resource Management: Ensure availability of necessary resources through effective scheduling and procurement. - Training: Provide training on handling disruptions and best practices. - Stakeholder Engagement: Address concerns from local communities and	During the project implementation	Azerigas PMU; Regional Operations Teams; Azerigas HSE Department (oversight); Contractors (if engaged)

		other stakeholders		
LDAR survey campaigns (OGI cameras, acoustic detectors, handheld monitors)	- OHS risks (VOC/methane exposure; - working near pressurized systems), minor nuisance to communities (temporary access restrictions, noise).	- Implement OHS Plan (PPE, gas detectors, permit-to-work where needed); pre-notification to communities per SEP; - conduct surveys during low-traffic/low-impact periods.	Throughout implementation	Azerigas PMU; Regional Operations Teams; Azerigas HSE Department (oversight); Contractors (if engaged)
Repair and replacement of leaking components (valves, fittings, meters, regulators, seals, flanges)	- Serious OHS risks (pressurized gas), potential VOC release, community health and safety risks, waste generation (scrap/packaging; potentially hazardous residues).	- Permit-to-work; - isolate/depressurize and gas-free prior to works; enforce PPE and competent supervision; - implement Traffic/CHS measures; segregate and dispose waste per WMP.	During work at each site	Azerigas PMU; Regional Operations Teams; Azerigas HSE Department; Contractors/Sub-contractors
Minor excavation for buried pipeline access and repair	- Utility strike; dust/noise; - traffic disruption; - soil disturbance; - chance finds (cultural heritage).	- Obtain excavation permits; - confirm utilities prior to digging; - dust suppression and noise controls; - restore sites; - implement Chance Find Procedures.	During works at each site	Azerigas PMU; Regional Operations Teams; Contractors; relevant local authorities (permits)
Traffic and vehicle movements (field access, equipment transport)	- Road safety risk (accidents), traffic disruption, fuel spills, emissions.	- Traffic/Journey Management measures in ESMPs; - trained drivers; - maintained vehicles; - spill kits; - community notifications on road closures.	Throughout implementation	Azerigas PMU; Azerigas HSE Department; Contractors; local traffic authorities (as needed)
Waste generation, handling and disposal (replaced parts, debris, packaging; hazardous residues)	- Soil/water pollution; - improper disposal; - OHS risks from handling contaminated waste.	- Apply WMP: - segregate, label, store with containment; - transport to licensed facilities; - keep waste manifests/records; - prohibit open burning/dumping.	During works and disposal	Azerigas PMU; Contractors; Ministry of Ecology and Natural Resources (licensed facilities/oversight, as applicable)
Emergency preparedness and response (gas pipe failure/explosion response)	- Potential fatalities/injuries; - damage to property; - major community safety impacts; - need for coordinated emergency response.	- Implement ERP under OHS Plan; - establish exclusion zones; - coordinate with emergency services; - drills and clear public communications; - 48-hour incident notification to World Bank.	Before and during works	Azerigas PMU; Azerigas HSE Department; Regional Operations Teams; local emergency services & local governments

Contractor management; labor influx; SEA/SH and Code of Conduct	- GBV/SEA/SH risks; - community tensions; - poor labor conditions; - OHS non-compliance.	- Apply LMP and worker CoC; - contractor E&S requirements embedded in contracts; - induction training; - functional worker GRM and referral pathways for SEA/SH through project GRM/SEP.	Before mobilization and throughout	Azerigas PMU (Social Specialist); Contractors/Sub-contractors
Stakeholder engagement and GRM (community and worker)	- Ineffective disclosure/consultation; - unresolved grievances; - reputational risks; community conflict.	- Implement SEP; - provide timely notifications; - keep GRM accessible (multiple channels), track and resolve grievances; - maintain confidential SEA/SH pathway and referrals.	Throughout implementation	Azerigas PMU (Social Specialist); Regional Operations Teams
E&S screening, ESMP preparation, monitoring and reporting	- Insufficient risk identification and mitigation; - non-compliance; - delayed corrective actions.	- Use screening form; prepare site ESMPs (first 5 for the World Bank's prior review); - supervise contractors; monthly contractor E&S reports; - quarterly E&S reports to World Bank; - incident reporting within 48 hours.	Planning, implementation, and completion	Azerigas PMU (E&S Specialists); Azerigas HSE Department; Contractors; World Bank (oversight)

4.1 Risks and Mitigation Measures Specific to Disadvantaged and Vulnerable Groups

34. Disadvantaged and vulnerable groups frequently encounter distinct risks and challenges that can intensify their susceptibility to negative impacts arising from development projects. These groups encompass individuals or communities who, because of characteristics such as age, gender, ethnicity, religion, physical or mental disability, economic status, or other social factors, are at a heightened risk of experiencing adverse effects from project activities. Moreover, they often face barriers that limit their ability to access or benefit from the opportunities and resources generated by such projects. As a result, these groups of population may be disproportionately affected, both in terms of exposure to harm and in their capacity to participate in or gain from project outcomes. Risks and their mitigation measures are summarized below in Table 4.2.

35. Disadvantaged and vulnerable groups in the Project area may include, among others, elderly persons, persons with disabilities, women-headed households, low-income households, unemployed or informally employed persons, ethnic or linguistic minorities, and individuals with limited access to information or public services. The presence of such groups within the area of influence of each subproject should be identified during subproject preparation and E&S screening. Where such groups are present, the mitigation measures set out in Table 4.2 should be reviewed and adjusted, as necessary, at the subproject level to ensure that engagement, communication, access, safety measures, and grievance arrangements are inclusive and responsive to their specific needs.

Table 4.2. Risks and Mitigation Measures Specific to Disadvantaged and Vulnerable Groups

Risks	Mitigation Measures
Social Exclusion from Project Benefits: A primary risk is that vulnerable groups such as women, youth, the elderly, and marginalized communities may be left out of the Project's benefits. This exclusion can occur if these groups are not adequately informed about the Project, if their specific needs and concerns are overlooked, or if improvements in safety and environmental conditions do not reach them.	- Proactively identify and engage vulnerable groups (such as women, youth, the elderly, and marginalized communities) to ensure their participation in Project activities and benefits. - Refer to the Project SEP for guidance on tailored communication and consultations. - Adjust grievance mechanism to allow all stakeholders raise concerns. - Ensure adherence to Code of Conduct prohibiting SEA/SH and providing child protection. - Enforce LMP ensuring fair employment and safety for all workers. *These measures collectively promote equity, inclusion, and protection for those most at risk*.
Labor Influx and Social Tensions: Given the minor nature of repair works within the existing gas distribution network, only small-scale labor influx is expected. Works will primarily rely on existing Azerigas field teams and small specialized contractor crews. No large-scale labor influx or worker camps are anticipated. However, even limited arrival of workers from outside the local area may increase social tensions and the risk of communicable diseases. Vulnerable populations, who may have less access to healthcare or be more susceptible to illness, are at greater risk from such impacts.	- Prioritize hiring local workers to minimize the number of outsiders and foster community acceptance. - ensure that all workers will adhere to Code of Conduct prohibiting SEA/SH. - Deliver health awareness and communicable disease prevention briefings for workers and, where relevant, nearby communities, with attention to vulnerable groups. Ensure basic site-level preventive measures are in place and that workers and affected community members are informed about how to access existing local health services and emergency contacts, where needed. - Adhere to fair employment practices and maintain accessible grievance mechanisms. - Closely monitor social interactions and communicable disease risks and manage them through ESMPs. *These measures collectively aim to reduce social tensions and safeguard the health of all community members, especially the most vulnerable.*
Disproportionate Negative Impacts from Project Activities: Certain activities, such as equipment delivery or repair work, may pose risks to road traffic and pedestrian safety. Vulnerable individuals, especially those with mobility challenges or limited awareness, may be disproportionately affected by these disruptions.	- Include Traffic Management Plan in ESMP as required. - Provide clear signage, speed reduction, and safe pedestrian crossings. - Notify communities in advance about disruptions and engage directly with vulnerable groups to address their needs. - Use barriers and trained personnel to manage traffic and protect pedestrians and ensure adequate lighting. - Schedule works during off-peak hours and minimizes duration of disruptions. - Establish grievance mechanisms and monitor safety incidents to adjust measures as needed. *These steps help ensure all community members, particularly the most vulnerable, are protected during Project activities.*

Exclusion from Grievance Mechanisms: If grievance mechanisms are not designed to be accessible or understandable to all, vulnerable groups may be unable to voice concerns or seek redress for negative impacts they experience.	- Ensure GRM is accessible and understandable to all, including vulnerable groups. - Operate GRM in Azerbaijani language; use clear and simple wording. - Ensure physical accessibility; provide multiple, easy-to-use channels for submitting complaints (e.g., in-person, phone, online, intermediaries). - Accept anonymous complaints; ensure confidentiality and protection from retaliation. - and regularly monitoring and adapting the mechanism to address barriers and improve inclusiveness. - Ensure that the Project GRM is SEA/SH-sensitive by establishing confidential and safe intake channels, survivor-centered handling procedures, clear referral pathways to relevant support services, and protocols that protect privacy, informed consent, and protection from retaliation.

4.2 OHS Management Plan

OHS risk assessment:

- Identify worksite hazards and associated OHS risks for all LDAR survey and repair activities, including pressurized gas systems, VOC/methane exposure, confined spaces, and manual handling.
- Update risk assessment as required in case of changing circumstances.

OHS training:

- Deliver OHS induction training to all workers and contractors before mobilizing to worksite.
- Conduct periodic refresher OHS training as required.
- Deliver toolbox briefings to all workers prior to entering worksite at the beginning of shift.

Use of PPE:

- Provide all field workers with standard PPE including, at minimum, gas monitors, flame-resistant clothing, safety boots, gloves, eye protection, and hard hats.
- Equip field teams with appropriate first-aid kits, personal gas detectors, and communication equipment. Ensure presence of at least one trained first-aid responder during field activities where required by risk screening.
- Deliver training on the correct technique of PPE usage.
- Ensure discipline of PPE use suing remedies and incentives, as appropriate.

Pre-deployment health screening and fitness checks:

- Subject all consultants, field staff, and contractors participating in pilot activities to basic medical fitness checks prior to deployment, ensuring they are fit for work in industrial and remote environments.

Permit-to-work system:

- Consistently apply mandatory permit-to-work system for all works on pressurized gas systems, including isolation, depressurization, and gas-freeing procedures prior to commencement of repair works.

OHS incident and near-miss reporting:

- Report all OHS incidents, accidents, and near misses to Azerigas HSE Department immediately. Keep logbook of incidents and use lessons learned from incidents or near-misses for updating procedures and future planning.

4.3 Waste Management Plan

Classification of waste streams:

- Distinguish non-hazardous solid waste (packaging, minor construction debris) and potentially hazardous waste (replaced components containing residual hydrocarbons, chemical cleaning agents, contaminated PPE).
- adopt a simple on-site waste classification checklist (hazardous / non-hazardous / recyclable) and assign temporary waste codes/categories consistent with national requirements (Law No. 514-IQ "On Production and Domestic Waste", June 30, 1998, available at https://e-qanun.az/framework/3186; and MENR Order No. 419/at of July 1, 2003 on waste classification) and licensed facility acceptance criteria (contractors should verify applicable acceptance criteria and obtain the current list of licensed facilities directly from the State Agency for Waste Management under the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan at http://www.eco.gov.az/en

Waste segregation:

- Segregate waste on site; keep hazardous and non-hazardous waste physically separated;
- Store various types of waste temporarily at worksite in designated locations in labeled containers.
- Use closed containers with secondary containment for hazardous waste; Place containers on an impermeable surface under cover where practicable; limit on-site storage duration and arrange timely pickup by licensed transporters.

Waste Dispoisal:

- No open burning or uncontrolled dumping of any waste.
- Dispose of non-hazardous waste, such as packaging, uncontaminated construction debris, and general solid waste, through municipal collection services or other authorized disposal facilities, in accordance with applicable national requirements and local waste management arrangements.
- Dispose of hazardous waste only at licensed facilities approved by the Ministry of Ecology and Natural Resources; verify licenses before each shipment; use only licensed waste transporters.
- Maintain a chain-of-custody record (waste transfer note/manifest) signed at collection, transport, and receipt.
- Apply spill prevention and response measures during loading/unloading (spill kits, drip trays) and report any significant spill as an incident.

Recycling and reuse:

- Recycle materials (scrap metal, packaging) where feasible; prioritize recovery of metals from replaced parts through approved scrap dealers; keep recyclables clean and uncontaminated; prohibit reuse of contaminated PPE or materials that contacted hydrocarbons/chemicals.

Record keeping:

- Document quantities of generated waste and disposal routes in monthly contractor reports.
- Include waste type, estimated/actual quantity (kg or m^3), storage location, transporter and facility name/license number, date of transfer, and manifest/reference number.
- Attach copies/photos of transfer notes where available.
- Conduct periodic spot-checks during site visits and request corrective actions for any non-compliance.

Training and awareness raising:

- Deliver toolbox briefings to all workers handling waste on waste segregation, labeling, safe handling of potentially contaminated materials, and spill response.
- Conduct awareness raising and refresher training to workers on the importance and techniques of using PPE during waste handling and its preparation for transporting.

4.4 Community Health and Safety Plan

- Notify communities coming under impact by giving an advance notice specifying
    I. location and expected duration of works,
    II. likely access restrictions/temporary road closures,

III. safety precautions and prohibited areas,
IV. emergency contact numbers,
V. GRM channels.

- Use multiple channels of communication to disseminate notification (e.g., local administrations, SMS/phone where available, posted notices at the site, and Azerigas local offices).
- Establish exclusion zones and place clear signage during repair works (barriers/tape, designated safe pedestrian routes, and - where relevant - traffic marshals/flaggers to manage vehicle and pedestrian movements);
- Coordinate with local emergency services as per coordination arrangements with local authorities.

4.5 Emergency Response Plan

b) This Emergency Response Plan (ERP) is based on Azerigas Production Union's corporate Emergency Call Service (ECS) Work Instruction (document No. AIB-05-TL-002, dated 28.07.2025) and international good practice for gas distribution operations. Site-specific details (evacuation routes, local emergency contacts, site layout) will be confirmed and communicated to all field personnel prior to commencement of works at each site.

Incident Notification and Command Structure

c) Step 1 — Field worker or contractor supervisor who discovers the incident immediately alerts all personnel in the vicinity, initiates stop-work and evacuates the affected area.

d) Step 2 — Field worker or contractor supervisor calls Azerigas Emergency Hotline: **104** (operated 24/7 by Azerigas ECS — Emergency Call Service). The caller provides: location, nature of incident, number of persons affected, and actions already taken.

e) Step 3 — Azerigas ECS operator logs the call in the CRM system, categorizes the incident, and immediately routes it to the responsible Azerigas HSE Department and regional operations team.

f) Step 4 — Azerigas HSE Department notifies the PMU Director and PMU Environmental/Social Specialists within 1 hour of the incident.

g) Step 5 — PMU notifies the World Bank within 48 hours of becoming aware of any serious incident, in accordance with ESCP action E.

External Emergency Services

The following emergency numbers must be posted at every work site:

h) Fire Brigade: **101**

i) Ambulance: **103**

j) Police: **102**

k) Azerigas Emergency Hotline: **104**

l) For serious incidents (fire, explosion, gas release threatening community safety), external emergency services (101, 103) must be called simultaneously with the Azerigas hotline — not after.

Immediate Response Actions

Upon detecting a gas leak, fire, or explosion risk:

m) Immediately stop all works and evacuate all personnel from the affected area;

n) Establish an exclusion zone of at least 50 meters around the incident location;

o) Prohibit smoking, use of open flames, or operation of electrical equipment within the exclusion zone;

p) Do not re-enter the exclusion zone until authorized by Azerigas HSE Department;

q) Notify neighboring residents and businesses if community safety is at risk;

r) Preserve the scene for Root Cause Analysis unless doing so poses further risk to personnel or the public.

Escalation Triggers

s) The following incidents automatically trigger World Bank notification within 48 hours: fatality or serious injury to a worker or a community member; gas explosion or major uncontrolled release;

fire; forced or child labor; SEA/SH allegation; violent community protest; significant environmental pollution event.

t) Undertake emergency response drills involving community stakeholders where appropriate, including periodic tabletop exercises and at least one field drill per high-risk area/campaign, as feasible.

u) Adapt emergency response actions to special needs of vulnerable groups (e.g., elderly persons, persons with disabilities, and households with limited access to information) through targeted outreach and accessible formats.

Record keeping:

- Document all emergency events, near-misses, or serious incidents.
- Report on the above in line with the Project incident reporting mechanism.
- Undertake Root Cause Analysis of emergency events; develop, implement, and track outcomes of Corrective Actions Plans.

4.6 Chance Find Procedure

Cultural heritage in Azerbaijan includes tangible heritage (archaeological sites, historical structures, monuments, objects) and intangible heritage recognized under the Law of the Republic of Azerbaijan on Protection of Historical and Cultural Monuments (1998) and the Law on Immovable Historical and Cultural Monuments (2010). During excavation or ground-disturbing works, the following procedures apply if any potential cultural heritage find is encountered:

Step	Action	Responsible Party	Timeframe
1 — Stop works	Immediately suspend all excavation or ground-disturbing works in the area of the find. Secure the perimeter.	Contractor site supervisor	Immediately upon discovery
2 — Secure site	Erect barriers around the find area. Assign a security guard if removable items are present. Do not remove, disturb, or photograph finds without authority approval.	Contractor site supervisor	Within 1 hour
3 — Notify PMU	Contractor notifies Azerigas PMU and regional operations team immediately by phone, followed by written notification.	Contractor site supervisor	Within 2 hours of discovery
4 — Notify authorities	PMU notifies the relevant Azerbaijani authority — Ministry of Culture of the Republic of Azerbaijan (Department of Cultural Heritage) and local executive authority.	PMU E&S Specialist	Within 24 hours
5 — Authority assessment	Ministry of Culture / designated specialist assesses the significance of the find and advises on treatment, documentation, and whether works may resume.	Ministry of Culture, Azerbaijan	As directed by authority
6 — Resume or redesign	If authority determines find is not culturally significant: works may resume after documentation. If find is culturally significant: works redesigned to avoid or preserve the find. PMU notifies World Bank.	PMU E&S Specialist / Contractor	Per authority direction
7 — Document and report	PMU documents the find, authority decisions, and actions taken. Included in next quarterly E&S progress report to World Bank.	PMU E&S Specialist	In next quarterly report

Responsible Azerbaijani Authorities

- Ministry of Culture of the Republic of Azerbaijan — Department for Protection of Cultural Heritage: primary authority for cultural heritage assessment and direction
- Local Executive Authority (in the respective region or district): notified alongside the Ministry of Culture
- Institute of Archaeology and Ethnography, Azerbaijan National Academy of Sciences: may be called upon for specialist assessment

> **Key rule:** Works must NOT resume at the location of the find until written authorization is received from the Ministry of Culture of the Republic of Azerbaijan or its designated representative.

4.7 Incorporation of E&S Considerations in Design and Planning of Works

36. In the planning and design phase of each subproject, careful consideration of E&S factors is paramount to avoid adverse impacts and ensure sustainable outcomes. This ESMF outlines key considerations and strategies to mitigate potential risks associated with subprojects' development. By integrating these considerations into the subproject planning and design process, we aim to proactively address E&S risks, thereby promoting long-term sustainability and success. This section outlines key considerations and strategies to address E&S risks by the application of risk mitigation hierarchy.

Environmental Risk Avoidance:

- **Resource Efficiency:** Emphasize resource efficiency in design practices to minimize resource consumption, waste generation, and environmental footprint.
- **Non-intrusive design:** Project activities are confined to existing, operational oil and gas facilities and institutional systems. No new construction, expansion of physical footprints, or greenfield development is supported under the Project.
- **Upstream risk screening:** All pilot activities are subject to environmental and social screening to identify potential risks early and determine appropriate avoidance or management measures before field deployment.
- **Use of existing operational controls:** The Project relies on existing facility safety systems, operational procedures, and access controls, supplemented as needed by Project-specific OHS and environmental requirements consistent with international good practice.

Social Risk Avoidance:

- **No land acquisition or resettlement:** Project activities are confined to existing, operational oil and gas facilities and institutional settings. No land acquisition, physical displacement, economic displacement, or restrictions on land use or access are supported under the Project. Any activity that leads to even minor displacement should be excluded.
- **Avoidance of community exposure:** Pilot field activities are undertaken within secured industrial sites, minimizing interaction with surrounding communities and avoiding risks related to community health, safety, or nuisance impacts.
- **Limited workforce and labor influx:** The Project relies primarily on existing staff, consultants, and short-term specialized teams, avoiding large-scale labor influx, worker camps, or sustained presence that could create social tensions or pressure on local services.
- **Exclusion of high-risk social activities:** Activities with heightened social risks such as major construction works, security personnel deployment, or activities affecting vulnerable or marginalized communities are explicitly excluded through the Exclusion List and screening procedures.
- **Proportionate stakeholder engagement:** Stakeholder engagement focuses on institutional stakeholders, sector agencies, and affected operators, avoiding unnecessary public

disturbance while ensuring meaningful engagement consistent with ESS10. Engagement activities are tailored to the Project's scale, risks, and context.

- **Worker protection by design:** Labor and working conditions risks are avoided through early application of Labor Management Procedures (LMP), including clear codes of conduct, worker grievance mechanisms, and occupational health and safety requirements consistent with international good practice.
- **Prevention of SEA/SH risks:** The Project avoids SEA/SH risks by limiting workforce size and duration, avoiding worker camps, applying mandatory codes of conduct, and integrating confidential, survivor-centered grievance pathways for workers.
- **Institutional capacity strengthening:** By embedding environmental and social considerations into the project system design, regulatory frameworks, and capacity-building activities, the Project avoids downstream social risks associated with poor data use, weak transparency, or exclusionary decision-making.
- **Equitable Access and Inclusion:** Ensure equitable access to project benefits and services for all community members, particularly marginalized and vulnerable groups. Design interventions to address barriers to access and promote social inclusion.
- **Community Engagement and Consultation:** Engage with local communities early and throughout the project lifecycle to solicit input, address concerns, and incorporate local knowledge into planning and decision-making processes.

5. Environmental and Social Procedures in Subproject Cycle

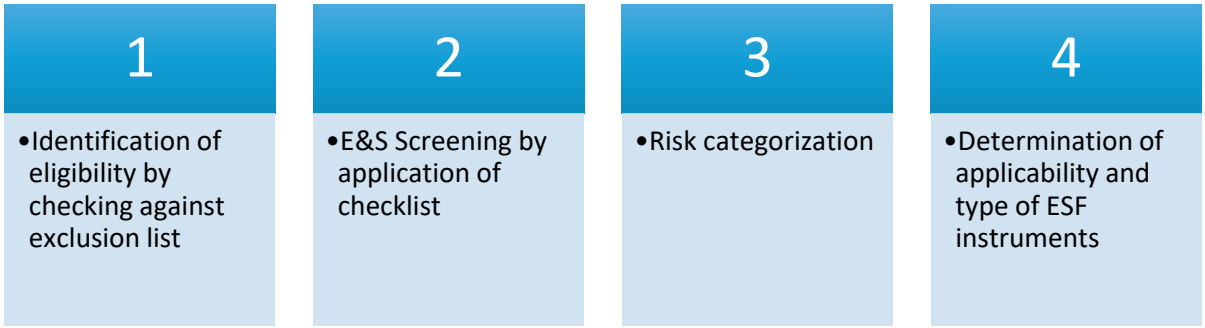
5.1 Environmental and Social Risk Rating of the Project

37. The World Bank classifies investment projects implemented with its support into one of four E&S risk categories: high risk, substantial risk, moderate risk, or low risk. The Project is assessed as a moderate E&S risk operation based on the following rationale: **Environmental risk is assessed as Moderate.** The overall long-term environmental impact is expected to be positive, as the Project will lead to considerable reduction of methane emissions and minimize risks to community safety by capturing gas leaks. The anticipated risks and adverse impacts are related to the implementation of physical works. These can be associated with generation of small amounts of waste, temporary disturbance to traffic safety, nuisances caused to neighboring communities and habitats due to temporary noise, fumes and vibration, and labor safety related risks. The scale of physical works required to fix detected leaks will vary from small to medium. The repair of selected segments of the existing gas distribution network is expected to be within a limited footprint of the original right of way of the pipeline. The anticipated impacts will be site-specific, limited in space and time and easy to address by application of pre-defined mitigation measures. While Azerigas has no previous exposure to the World Bank's ESF, it does have corporate capacity to manage environment, health and safety risks. The staff assigned to the Project has received introduction to ESF and attended training sessions within PMU Academy delivered by the World Bank

38. **The social risk is assessed as Moderate** mainly due to the community health and safety considerations, as well as the safety of the labor. While the repair works envisaged under the Project are anticipated to be minor, activities such as welding gas pipes might entail small risk of explosion. Any social impacts associated with repair works will be short-lived and localized. Due to the limited nature of the repair works, significant impacts on traditional lifestyles or local demographics are not anticipated. Resettlement impact and forced displacement is not expected. Azerigas has the necessary experience, qualified staff and systems in place to address risks. The company has established a stakeholder engagement process in line with ISO 10002 on Complaint Handling in Customer Satisfaction.

5.2 Environmental and Social Screening of Subprojects

39. Because As the Project is classified as a moderate E&S risk operation, it may not support any substantial- or high-risk activities. Therefore, each subproject proposed for the Project support will be subject to E&S screening. Screening outcomes are the decision on whether a subproject is eligible for Project funding and if yes, then what type of site-specific E&S risk management documents need to be produced for its implementation. E&S screening must be applied at the early stage of subproject cycle, namely – during subproject identification. Eligibility is determined by application of the Exclusion List. Types of E&S instruments to be developed for an eligible subproject and indicative content of such instruments are identified with the use of E&S screening form. These stages of E&S due diligence are depicted below.



5.3 Environmental and Social Risk Management Procedures

40. E&S Risk Management Procedures are a set of processes and systems designed to identify, evaluate, and manage the environmental and social risks and impacts associated with all individual subprojects throughout the Project lifecycle. These procedures ensure that the Project is implemented in a manner that minimizes adverse impacts and enhances positive outcomes for both the environment and affected communities. Application of E&S risk management at various stages of subproject cycle is described in Table 5.2 & 5.3.

Table 5.2: Subproject Cycle and E&S Management Procedures

Subproject Stage	E&S Management Procedures
a. Subproject/site identification	Screen each site/component cluster using the E&S Screening Form (Annex 1). Confirm activities are not on the Project's Exclusion List. Identify permits required by national legislation. Identify type of site-specific E&S instrument to be prepared for the subproject. Engage with local stakeholders and subproject-affected people from the very early stage of subproject identification as per SEP.
b. Planning for LDAR surveys and repair campaigns	Prepare site-specific ESMPs incorporating OHS management, traffic management, and chance find management procedures, waste management plan, SEA/SH exclusion measures, and biodiversity protection measures as required. Submit ESMPs to World Bank for review. Disclose draft ESMP and consult with stakeholders. Obtain all required permits. Incorporate E&S provisions into contractor bidding documents and contracts.
c. Conduct of LDAR surveys, repairs and site reinstatement. Implementation and Monitoring.	Monitor implementation of ESMPs and ESCOPs. Require monthly reports from contractors and supervisors. Track grievances. Establish robust monitoring and evaluation mechanisms to track the effectiveness of implemented mitigation measures. Conduct regular site visits and inspections to assess project performance and address concerns promptly. Continue awareness raising and/or training for relevant staff, volunteers, contractors, communities. Notify World Bank of E&S accidents or incidents within 48 hours. Continue community engagement as per SEP.
d. Post-repair verification and subproject closure	Verify LDAR repairs have eliminated targeted leaks. Confirm site reinstatement. Assess final compliance with ESMPs. Resolve all outstanding E&S issues demobilization from the worksite. Prepare subproject closure report including information on the E&S performance and outcomes.

Table 5.3: Recurrent E&S Procedures Applicable Throughout Subproject Cycle

a. Capacity building and training	- Provide capacity-building and training programs to Project staff, implementing partners, and relevant stakeholders. - Prioritize empowerment of local communities, fostering their active participation in project activities. - Train local staff and contractors on E&S procedures and requirements, ensuring their awareness and adherence to standards
b. Documentation and reporting	- Maintain comprehensive documentation of environmental and social assessments, mitigation measures, and stakeholder consultations. - Prepare monthly, quarterly and semi-annual progress reports on environmental and social performance for project stakeholders.

c. Continuous Improvement and Adaptation	- Commit to regular reviews and updates of E&S management procedures based on monitoring findings and lessons learned. - Actively seek stakeholder feedback and incorporate it into decision-making processes for continuous improvement. - Undertake regular reviews and updates of E&S management procedures will be undertaken based on monitoring findings, lessons learned, and evolving best practices. Stakeholder feedback will be actively sought and incorporated into decision-making processes for continuous improvement.
d. E&S feedback and adaptive management	- Review monitoring results and stakeholder inputs (via GRM and consultations) regularly and use for updating ESMPs and mitigation measures. Continuously track corrective actions to ensure lessons learned are integrated into contractor method statements and supervision plans. - PMU E&S Specialists initiate revisions based on findings. - PMU Director approves substantive updates; significant changes are re-disclosed on the Azerigas website and communicated to affected stakeholders per SEP.

E&S Screening of Subprojects

42 Each proposed subproject must undergo E&S screening to identify its eligibility for the Project support and the scope of site-specific ESMP to be prepared for it. The first step is screening the proposed subproject against the Project's E&S Exclusion List. This list is a tool for excluding substantial and high-risk subprojects which may not be financed with the Project proceeds.

Exclusion List — ALDARP
• Activities requiring new land acquisition or causing involuntary physical relocation of households
• Construction of new gas production or processing infrastructure not part of existing Azerigas distribution assets
• Activities in or adjacent to the nationally or internationally designated protected areas, or natural / critical habitats as defined under Azerbaijani law and ESS6.
• Works affecting known physical cultural heritage
• Works requiring use of asbestos-containing materials or internationally banned substances
• Any activity involving child labor or forced labor
• Subprojects with significant, complex, and irreversible environmental and social impacts.
• Activities on land with disputed ownership or tenure
• Activities that violate human rights, including forced labor, child labor, discrimination, or exploitation of vulnerable populations.
• Activities that result in significant emissions of greenhouse gases or other pollutants contributing to climate change or air and water pollution.
• Activities that involve significant disruption or destruction of ecosystems, including wetlands, rivers, or marine habitats
• Any activity involving involuntary resettlement or land acquisition (physical or economic displacement).

• Any new greenfield construction.
• Any activity located outside the existing Azerigas-owned facility fences or established Right-of-Way (ROW).
• Any activity with significant environmental and social risks and impacts that require an Environmental and Social Impact Assessment (ESIA).
• Activities that have the potential to cause any significant loss or degradation of critical natural habitats, whether directly or indirectly, or which would lead to adverse impacts on natural habitats.

43. The PMU Environmental and Social Specialists will use the E&S Screening Form (Annex 1) to identify and assess E&S risks specific to the activities and identify the appropriate mitigation measures. The Screening Form lists various mitigation measures and plans that may be relevant for specific activities (such as the Environmental and Social Codes of Practice, the ESMP, the LMP, Chance Find Procedures, etc.)
44. The PMU will also identify the documentation, permits, and clearances required under the government's Environmental Regulation.

Subproject Formulation and Planning – E&S Planning

45. If a subproject assessment is necessary based on the process above and the Screening Form, the PMU under Azerigas will adopt the necessary environmental and social management measures already included in the Annexes of this ESMF (such as the ESCOPs, the LMP, WMP, etc.) or develop relevant site-specific environmental and social management plans.
46. If site-specific ESMPs are necessary, the PMU will prepare them and other applicable documents as needed. The PMU will provide approval for the Contractor and compile the ESMPs and other applicable forms. A Contractor should prepare C-ESMP (Contractor's Environmental and Social Management Plan), which includes a contractor-prepared, site-specific implementation plan that translates the requirements of the approved ESMP/ESMP Checklist, LMP, OHS, waste management, traffic management, emergency response, and Code of Conduct into practical worksite procedures, method statements, staffing responsibilities, monitoring, reporting, and corrective actions for the contractor's activities under this Project. The contents of the site-specific ESMPs/ESMP Checklist will be shared with relevant stakeholders in an accessible manner, and consultations will be held with the affected communities on E&S risks and mitigation measures. If certain subprojects or contracts are being initiated at the same time or within a certain location, an overall ESMP/ESMP Checklist covering projects' components or contracts can be prepared.
47. Alternatively, the first five site specific ESMP/ESMP Checklists in each category of a subproject or a different number to be agreed upon with the World Bank will also be submitted to the World Bank for prior review and no objection. After this first 5, the World Bank and the PMU will reassess whether prior review is needed for further ESMP/ESMP Checklists or a certain category of ESMP/ESMP Checklists.
48. The PMU will also complete the documentation, permits, and clearances required under the government's Environmental Regulation before any project activities begin.
49. In addition, at this stage, staff who will be working on various subproject activities should be trained in the environmental and social management plans relevant to their work. The PMU should provide such training to field staff.
50. Based on the subproject activities if any, the PMU should also ensure that all selected contractors, subcontractors, and vendors understand and incorporate environmental and social mitigation measures relevant to them as standard operating procedures for civil works. The PMU should provide training to selected contractors to ensure that they understand and incorporate environmental and social mitigation measures; it should also plan for cascading training to be delivered by contractors to subcontractors and vendors. The PMU should further ensure that the entities or communities responsible for ongoing operation and maintenance of the investment have

received training on operations stage environmental and social management measures as applicable.

Implementation and Monitoring – E&S Implementation

51. This section outlines the procedures and implementation arrangements for effectively managing environmental and social aspects throughout the project lifecycle. It delineates the roles and responsibilities of key stakeholders, establishes monitoring and reporting mechanisms, and details the steps for implementing mitigation measures.
52. During implementation, the PMU will conduct regular monitoring visits. Including:

I) Monitoring and Evaluation:

- The PMU will carry out monitoring and evaluation of Project results and outcomes.
- Project performance will be evaluated through quantitative indicators and qualitative assessments.
- Individual indicators will be measured against annual targets to detect and address gaps promptly.

II) Biannual Progress Reports:

- The PMU will submit biannual progress reports to their management and the World Bank.
- These reports will record progress at the individual component level and include implementation status and analysis of project performance related to key indicators.

III) Mid-Term Review:

- A Mid-Term Review will be conducted by the World Bank at the mid-point of the project implementation to assess overall project progress, identify critical implementation issues, and make necessary revisions to the project design or schedule.

IV) Responsible Parties:

- The PMU will oversee and monitor all project operating costs and logistics.
- The PMU will be responsible for the preparation, update, and disclosure of Environmental and Social Framework (ESF) documents and overall ESF and national legislation compliance.
- The PMU will include a director and a technical team consisting of an office manager, and specialists in procurement, financial management, environmental, and social aspects.

53. The PMU working to implement the project will ensure that monitoring practices include the environmental and social risks identified in the ESMF and will monitor the implementation of E&S risk management mitigation plans as part of regular project monitoring.
54. At a minimum, the reporting will include (i) the overall implementation of E&S risk management instruments and measures, (ii) any environmental or social issues arising as a result of project activities and how these issues will be remedied or mitigated, including timelines, (iii) Occupational Health and Safety performance (including incidents and accidents), (iv) community health and safety, (v) stakeholder engagement updates, in line with the SEP, (vi) public notification and communications, (vii) progress on the implementation and completion of project works, and (viii) summary of grievances/beneficiary feedback received, actions taken, and complaints closed out, in line with the SEP. Reports from the local levels will be submitted to the PMU at the national level, where they will be aggregated and submitted to the World Bank on a biannual basis.
55. Throughout the Project implementation stage, the PMU will continue to provide training and awareness-raising to relevant stakeholders, such as staff, selected contractors, and communities, to support the implementation of the environmental and social risk management mitigation measures.

56. The PMU will also track grievances/beneficiary feedback (in line with the SEP) during project implementation to use as a monitoring tool for implementation of project activities and environmental and social mitigation measures.
57. Last, if the PMU becomes aware of a serious incident in connection with the project, which may have significant adverse effects on the environment, the affected communities, the public, or workers, it should notify the World Bank within 48 hours of becoming aware of such incident. Fatality is automatically classified as a serious incident, as are incidents of forced or child labor, abuses of community members by project workers (including gender-based violence incidents), violent community protests, or kidnappings.

Review and Evaluation – E&S Completion

58. Upon completion of Project activities, the PMU will review and evaluate progress and completion of the Project activities, and all required environmental and social mitigation measures. Especially for civil works, the PMU will monitor activities with regard to site restoration and landscaping in the affected areas to ensure that the activities are done to an appropriate and acceptable standard before closing the contracts, in accordance with measures identified in the ESMP/ESMP Checklists and other plans. The sites must be restored to at least the same condition and standard that existed prior to commencement of works. Any pending issues must be resolved before a subproject is considered fully completed. The PMU will prepare the completion report describing the final status of compliance with the E&S risk management measures and submit it to the World Bank.

5.4 Technical Assistance Activities

59. The PMU will ensure that the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Project are carried out in accordance with Terms of Reference acceptable to the Bank, that are consistent with the ESSs. They will also ensure that the of such activities comply with the Terms of Reference

5.5 Monitoring and Reporting

60. Monitoring and reporting under this ESMF will ensure that (i) environmental and social (E&S) risks are identified early, (ii) mitigation measures are implemented effectively at site level, and (iii) compliance with applicable national requirements and the World Bank Environmental and Social Standards (ESSs) is demonstrated through clear documentation. The PMU will apply a risk-based approach, with intensified supervision for higher-risk worksites (e.g., works in densely populated areas, pressurized system interventions, or sites requiring excavation).
61. Roles and responsibilities. Overall responsibility for E&S monitoring rests with the Azerigas PMU, supported by the Azerigas HSE Department for OHS oversight. Contractors (and sub-contractors) are responsible for day-to-day implementation of site-specific ESMP requirements and for maintaining site records. The PMU will verify contractor performance through site visits, document checks, and interviews with workers and affected stakeholders, and will require corrective actions where gaps are identified.
62. Monitoring scope and key indicators. Monitoring will cover, at minimum: (a) implementation of site-specific ESMP measures (including Traffic Management, Waste Management, and Chance Find procedures where applicable); (b) OHS performance (toolbox talks, PPE use, permit-to-work compliance, gas detection controls, first aid readiness); (c) community health and safety (public notifications, signage and barricading, safe pedestrian access, incident preparedness); (d) labor and working conditions (worker induction, Code of Conduct/SEA/SH awareness, working hours, worker GRM); and (e) stakeholder engagement and grievance management (GRM accessibility, response times, closure and appeals, SEA/SH confidential pathway). The PMU will maintain a consolidated E&S monitoring register capturing findings, non-compliances, and follow-up actions.
63. Reporting and escalation. Contractors will submit monthly E&S monitoring reports in accordance with contract requirements, including OHS statistics, waste records/manifests, site restoration status, and any grievances received at site level. The PMU will consolidate information into periodic reports to the World Bank in line with agreed deadlines. Any incident with potential significant

adverse effect on workers, communities, or the environment (including fatalities and serious injuries) will be notified to the World Bank within 48 hours of the PMU becoming aware of it, followed by a root-cause analysis and a time-bound Corrective Action Plan (CAP) for implementation and close-out.

64. Documentation, disclosure, and learning. The PMU will keep organized records of screening forms, permits, ESMPs, monitoring checklists, training logs, incident notifications, grievance logs, and corrective actions. Monitoring results and stakeholder feedback will be reviewed periodically to identify systemic issues and update procedures, training, and ESMP templates as needed. Where material changes are made to E&S instruments or mitigation approaches, the PMU will re-disclose updated documents and communicate changes to stakeholders consistent with SEP.

Table 5.4: Monitoring and reporting

Report	Frequency	Deadline	Content
E&S Performance Report from Azerigas to World Bank	Quarterly	Within 30 days after end of each quarter	Status of E&S documents; stakeholder engagement summary per SEP; GRM log and resolution status; contractor E&S performance summary; OHS incidents/accidents; community health and safety updates; public notifications.
Contractor E&S Monitoring Report to Azerigas	Monthly	Per contract terms	E&S performance metrics per bidding documents and contracts; OHS statistics; grievances received and resolved at site level; site restoration progress.
Serious Incident Notification from Azerigas to World Bank	As needed	Within 48 hours of learning of incident	Initial notification with available details of incident or accident with significant adverse effect on environment, communities, or workers (including fatalities, GBV/SEA/SH, forced/child labor, forced eviction, pollution, violent protest).
Corrective Action Plan (post-incident) from Azerigas to World Bank	As needed	Within 10 days of initial incident notification (unless otherwise agreed)	Root cause analysis; immediate, underlying, and systemic causes; corrective actions and timeline; measures to prevent recurrence.
ESMP Completion Report from Azerigas to World Bank	Per site	Upon completion of works at each site	Verification of ESMP implementation; leak repair confirmation; site restoration status; outstanding E&S issues and resolution plan.

5.6 Institutional Arrangements for E&S Risk Management

65. This section outlines the procedures and implementation arrangements for effectively managing environmental and social aspects throughout the project lifecycle. It delineates the roles and responsibilities of key stakeholders, establishes monitoring and reporting mechanisms, and details the steps for implementing mitigation measures.

Table 5.4: Implementation Arrangements

Party	Role	Responsibilities
Azerigas Project Management Unit PMU	Accountable party for entire ESMF and ESCP	Overall accountability for ESMF and ESCP implementation. Coordinate E&S Specialist and Social Specialist. Coordinate with World Bank. Review and approve Screening Forms and ESMPs. Compile and submit quarterly E&S progress reports to World Bank within 30 days after each quarter. Manage ESMF implementation budget. Form coordination arrangements with local governments and emergency services, where relevant, and emergency services prior to commencement of works in each area.
PMU Environmental Specialist	Technical lead on environmental risk management	Lead preparation and update of ESMF, OHS Management Plan, WMP, ESMPs, and ESCOPs. Conduct environmental screening for all sites. Review contractor environmental compliance. Carry out or coordinate environmental monitoring site visits. Prepare environmental sections of quarterly reports.
PMU Social Specialist	Technical lead on social risk management	Lead preparation and update of LMP (as part of POM), and social sections of ESMPs. Manage worker and community GRM operations. Track and report grievances. Oversee SEA/SH prevention and response measures. Coordinate with gender-based violence service providers for SEA/SH complaint referrals.
PMU Social Specialist	Lead on SEP implementation and community communications	Implement SEP throughout project lifecycle. Coordinate community notifications before works. Ensure GRM is accessible and publicized. Organize and document stakeholder consultations. Prepare stakeholder engagement sections of quarterly reports.
Azerigas HSE Department	Technical oversight of OHS and field E&S compliance	Technical oversight of OHS implementation across all LDAR surveys and repair activities. Review ESMPs for OHS quality. Conduct periodic site inspections. Track OHS incidents, near misses, and accidents. Coordinate emergency preparedness and response. Deliver OHS training to field teams and contractors. Support incident reporting to World Bank.
Regional Operations Teams (Field Level)	Day-to-day field implementation	Day-to-day implementation of LDAR surveys and repair campaigns. Complete Screening Forms for each site cluster. Prepare or support preparation of site ESMPs. Monitor contractor compliance with ESMPs, ESCOPs, LMP, and Code of Conduct. Track and refer grievances. Submit monthly reports to PMU.
Contractors and Sub-contractors	Works implementation — accountable to PMU	Comply with all E&S requirements in contracts, ESMPs, ESCOPs, and LMP. Provide monthly monitoring reports on E&S performance to PMU. Cascade Code of Conduct training to sub-contractors and all workers. Report OHS incidents and near

		misses immediately. Restore sites upon completion of works.
Supervising Firms	Technical supervision of works – accountable to PMU	Technical supervision companies, where engaged by Azerigas for Project implementation, will provide day-to-day supervision of contractors' works, verify compliance with the approved ESMP/ESMP Checklist, C-ESMP, ESCOPs, OHS requirements, and site-specific mitigation measures, record non-compliances and corrective actions, and submit regular supervision reports to the Azerigas PMU.
World Bank	Financier and oversight	Prior review and no-objection for first 5 ESMPs. Periodic implementation support and supervision missions. Receive quarterly E&S progress reports. Receive serious incident notifications within 48 hours. Agree to ESCP revisions as needed.

5.7 Capacity Building

66. The successful implementation of the Project is fundamentally reliant on the effective execution of the environmental and social risk management measures outlined in this ESMF. These measures are critical to mitigating potential adverse impacts and ensuring sustainable project outcomes. To achieve this, it is essential to provide comprehensive training and capacity building for key stakeholders, ensuring they are well-equipped to implement the ESMF, SEP, and other related environmental and social documents.
67. The table below details an initial training strategy. This strategy aims to integrate training on environmental and social risk management into the project cycle and operational procedures as much as possible. The training will cover various aspects, including environmental impact assessment, social impact assessment, mitigation measures, monitoring and evaluation, and compliance with relevant regulations and standards.
68. Given the necessity to raise awareness among project workers and stakeholders at various levels, a cascading model is proposed. This model facilitates the dissemination of information from the national level to the field levels, ensuring that all parties involved are adequately informed and capable of effectively implementing the required measures.
69. Furthermore, the training program will include practical exercises, case studies, and interactive sessions to enhance the learning experience and ensure that participants can apply the knowledge and skills gained in real-world scenarios. Continuous monitoring and evaluation of the training program will be conducted to assess its effectiveness and make necessary adjustments to improve its impact.
70. In summary, the success of the Project is contingent upon the effective implementation of the environmental and social risk management measures outlined in the ESMF. Comprehensive training and capacity building for key stakeholders, utilizing a cascading model, will be crucial in achieving this goal and ensuring sustainable project outcomes.

Table 5.5: Proposed Training and Capacity Building Approach

Level	Responsible Party	Audience	Topics
National	World Bank / Azerigas PMU	PMU E&S and Social Specialists; HSE Dept. leads	ESMF and ESCP overview; E&S screening and ESMP preparation; OHS Plan and WMP; LMP and Code of Conduct; SEP and GRM; World Bank ESS requirements; serious incident reporting (48-hr rule); quarterly reporting requirements.
Regional / Field	PMU / HSE Dept.	Regional operations teams, site supervisors	Practical application of Screening Forms and ESMPs; LDAR-specific OHS (pressurized systems, VOC/methane exposure, confined spaces, emergency response); ESCOPs; WMP field procedures; contractor supervision; Chance Find Procedures; community notification and GRM.
Site / Contractor	Regional Operations Teams	Contractors, sub-contractors, all field workers	Code of Conduct; LDAR OHS (PPE, tool handling, emergency response); gas pipe safety and explosion response; community health and safety; GBV/SEA/SH prevention and reporting; waste management on site.
Community	PMU Social Specialist / Regional Teams	Affected communities, local authorities	Project activities and schedule; community health and safety during works; gas pipe safety awareness; GRM — how to access it; worker Code of Conduct; SEA/SH reporting channels.
Supervising Firms	PMU / HSE Dept.	Supervising firms and their staff	ESMF and ESCP overview; ESMP/ESMP Checklist and C-ESMP requirements; OHS oversight and permit-to-work verification; ESCOPs and site-specific mitigation measures; non-compliance recording and corrective actions; supervision reporting to PMU.

5.8 ESMF Implementation Budget

71. The following table lists estimated cost items for the implementation for the ESMF, which have been included in the overall project budget:

Table 5.6: ESMF Implementation Budget

Activity / Cost Item	Estimated Cost (USD)
PMU Environmental Specialist — full project duration	Included in PMU budget
PMU Social Specialist — full project duration	Included in PMU budget
PMU	Included in PMU budget
coordination arrangements with local governments and emergency services, where relevant	Administrative cost

E&S training — PMU, HSE Dept., regional teams (national/regional level)	15,000 – 25,000
E&S training — contractors, workers, community (site level)	10,000 – 15,000
Site-specific ESMP preparation (per site/campaign cluster)	5,000 – 10,000 per ESMP
OHS Management Plan — preparation and updates	Included in ESMF/ESMP cost
Waste Management Plan — preparation and updates	Included in ESMF/ESMP cost
Environmental and social monitoring — site visits and field inspections	20,000 – 35,000
GRM establishment and operation (hotline, platform, materials)	8,000 – 15,000
Community communication and SEP implementation support	10,000 – 20,000
Permits, clearances, and regulatory submissions	5,000 – 10,000
Third-party/independent E&S monitoring (if required)	20,000 – 40,000
Emergency preparedness and response — drills and equipment	10,000 – 20,000
Contingency (10%)	~10% of total
TOTAL (Indicative)	**TBD — to be finalized in project budget**

6. Stakeholder Engagement, Disclosure, and Consultations

6.1 Disclosure and Consultation on the Project's E&S Instruments

72. A SEP is prepared for the Project consistent with the World Bank's ESS10. It is available at http://www.azeriqaz.az/en SEP sets out the approach for identifying and engaging all stakeholders, including communities in project areas, local authorities, civil society organizations, and project workers. SEP includes mapping affected communities and vulnerable groups, methods for conducting inclusive consultations before and during works, recommendations for maintaining site-level communication channels, and the design of a confidential, survivor-centered GRM. SEP will be reviewed regularly and may be updated if required, and re-disclosed.

73. All E&S risk management documents prepared for the Project, such as SEP, ESCP, and present ESMF, are subject to disclosure and public consultation. Draft ESMF was disclosed at http://www.azeriqaz.az/en for stakeholder feedback. Finalized ESMF, with record of consultation process attached, will be re-disclosed through the same platform. ESMF guides preparation of site-specific ESMPs. Once drafted, ESMPs will also be publicly disclosed and discussed with the affected communities; then, finalized through the incorporation of relevant feedback and re-disclosed with minutes of consultation meetings attached.

6.2 Project Grievance Mechanism

74. GRM include a description of the grievance mechanism available to affected persons and other interested parties, traditional and other conflict resolution mechanisms that will be integrated, the description of the arbitration procedures defined in the ESF and the national laws, and to what extent are they operational and the detailed process, the detailed institutional, and administrative procedures setting out the length of time users can expect to wait for acknowledgement, response and resolution of their grievances; as well as the mediation process (if any) or an appeals process (including the national judiciary) to which unsatisfied grievances may be referred when resolution of grievance has not been achieved. A summary of the Mechanism will be in English however, the overall process of the mechanism will be provided in the local language, where the subproject is being implemented. The GRM available for affected parties and other interested parties is presented in the SEP, while the GRM for Workers, including SEA/SH cases, are presented in the LMP. The Project GRM will be accessible through multiple channels including a dedicated telephone hotline, email address, written submissions at Azerigas regional offices, and an online form. All grievances will be logged, acknowledged within [2] days, and resolved within [20] days where possible. SEA/SH complaints will be handled through a dedicated confidential pathway with referral to relevant GBV service providers. Details of the GRM, including access channels and response timelines, are set out in the SEP.

Annexes

Annex 1. E&S Screening Form

> **Purpose:** This Screening Form is filled out by the Environmental Specialist and Social Specialist of the PMU for each subproject at the design and planning stage. It determines which E&S risk management instruments apply (ESMP and/or ESCOPs) and if/which environmental permits are required. Completed forms are signed, filed, and made available to the World Bank upon demand.

Part 1: Site / Activity Information

Site / Component Cluster Reference	
Location (Region / City / District)	
Azerigas Regional Unit in Charge	
Estimated Repair Cost (USD)	
Planned Survey / Works Start Date	
Planned Completion Date	
Brief Description of Activities	
Name of PMU E&S Specialist conducting screening	
Date of Screening	

Part 2: E&S Screening Questionnaire

For each question, mark YES or NO and follow the action indicated. If YES to Q1, stop immediately — the activity is excluded. Complete all other questions for every site.

Q#	ESS	Screening Question	If YES → Action Required	If NO → Action Required
1	ESS1	Is the activity on the Exclusion List in Table 5 of the ESMF (e.g., land acquisition, new infrastructure outside existing ROW, critical habitats, child/forced labor)?	EXCLUDE from project. Do not proceed.	Continue to Q2.
2	ESS1	Does the activity involve significant expansion of existing gas infrastructure (new pipelines, new stations) beyond repair/replacement of	Prepare full site-specific ESMP (Annex 2 template). Include E&S provisions in bidding documents.	Continue to Q3.

		existing components?		
3	ESS1	Does the activity involve routine repair/replacement of leaking components (valves, fittings, meters, seals) within existing Azerigas ROW?	Apply relevant ESCOPs from Annex 3. Confirm no specific risks below trigger ESMP requirement.	Review scope — may need Q2 treatment.
4	ESS1 / ESS4	Will works take place in or adjacent to densely populated residential areas, schools, hospitals, or other sensitive community facilities?	Prepare site-specific ESMP. Include community notification plan per SEP. Establish exclusion zones and traffic management.	Apply standard ESCOPs. Ensure advance community notification per SEP.
5	ESS2	Will the activity involve contractor or sub-contractor workers (direct, contracted, or community workers)?	Apply LMP in full. Include LMP provisions in contractor contracts. Verify age of all workers (18+ minimum).	Apply direct worker provisions of LMP only.
6	ESS2	Are workers likely to be exposed to pressurized gas systems, VOC/methane, confined spaces, or work at height?	Apply OHS Management Plan provisions. Confirm permit-to-work system in place. Provide PPE. Conduct pre-works OHS induction.	Apply general OHS provisions of LMP.
7	ESS2	Is there a risk of gender pay inequality or discrimination in worker recruitment for this activity?	Apply non-discrimination provisions of LMP. Document recruitment process.	Record that risk is not identified for this site.
8	ESS3	Will the activity generate hazardous waste (replaced components with hydrocarbon residue, chemical solvents, contaminated PPE)?	Apply Waste Management Plan. Arrange licensed hazardous waste disposal. Document waste quantities and disposal in monthly contractor report.	Apply standard solid waste provisions of ESCOPs.
9	ESS3	Are works likely to cause significant VOC/methane releases to air during component replacement?	Specify VOC minimization techniques in ESMP/ESCOP (e.g., controlled depressurization, vapour recovery). Obtain air	Apply standard pollution prevention measures in ESCOPs.

			emission permit if required.	
10	ESS3	Is there a risk of soil or water contamination from chemical spills, fuel leaks, or wastewater during works?	Include spill prevention and response measures in ESMP. Ensure spill kits available on site. Secondary containment for chemical storage.	Apply standard ESCOPs pollution prevention measures.
11	ESS4	Will works require road closures, traffic diversions, or significant vehicle movements in community areas?	Prepare Traffic Management Plan as part of ESMP. Community notification per SEP. Coordinate with local authorities.	Apply standard vehicle/traffic measures in ESCOPs.
12	ESS4	Is there a risk of gas pipe explosion or other serious community safety incident during works?	Include ERP in ESMP. Confirm coordination arrangements with local emergency services are in place . Community notification of emergency contacts.	If emergency response risks are identified, relevant ERP measures shall be included in the site-specific ESMP, C-ESMP, or applicable ESCOPs. If no such risks are identified, no separate ERP is required beyond the standard OHS emergency preparedness provisions.
13	ESS4	Is an influx of workers from outside the local community expected, creating SEA/SH or community tension risks?	Apply SEA/SH provisions of LMP and Code of Conduct. Ensure GRM is accessible to community. Brief contractor on GBV/SEA/SH prevention.	Apply standard Code of Conduct for all workers.
14	ESS5	Will the activity require access to land outside the existing Azerigas rights-of-way, or cause any physical or economic displacement?	Any activity involving any form of physical or economic displacement, restriction on land use, or loss of access to assets or livelihoods — regardless of scale — is not eligible for financing under the Project and must be excluded	Confirm works are within existing Azerigas ROW. Document confirmation.
15	ESS6	Is the work site located in or adjacent to a natural habitat, green area, water body, or area with potential biodiversity value?	Conduct biodiversity screening. Include biodiversity protection measures in ESMP. Avoid works in critical habitats.	Record that no biodiversity sensitivity identified. Continue.

16	ESS8	Will the activity involve any excavation, earth-moving, or ground disturbance (e.g., buried pipeline access)?	Include Chance Find Procedures (Annex 5) in ESMP and contractor contracts. Brief contractor on procedures before works start.	Chance Find Procedures not required for this activity.
17	ESS10	Have affected communities been informed of planned works in accordance with the SEP (advance notice, accessible communication)?	Confirm notification completed and documented before works start.	Complete community notification per SEP before works start.
18	ESS10	Is GRM operational and accessible to community members and workers at this site?	Confirm GRM contact details posted at site. Proceed.	Activate GRM for this site before works start. Contact PMU

Part 3: Conclusion and Sign-off

E&S Risk Management Instruments Required	
Site-specific ESMP required? (Y/N)	
ESCOPs to be applied (list)	
Waste Management Plan provisions to be applied? (Y/N)	
Traffic Management Plan required? (Y/N)	
Chance Find Procedures to be included? (Y/N)	
Permits / clearances required (list)	
Submit ESMP to World Bank for prior review? (required for first 5 ESMPs)	
Sign-off	
Screened by (Name / Title)	Signature / Date
Screening subprojects and determining the applicable E&S risk management instruments by the PMU E&S specialist	Signature / Date
Approved by PMU (Name / Title)	Signature / Date

Annex 2. ESMP Template

> **Purpose:** This ESMP template is used to prepare site-specific ESMPs for LDAR survey and repair activities where required by the Screening Form. ESMPs are drafted by the PMU's Environmental and Social Specialists, reviewed by the PMU management and the World Bank, disclosed, consulted with affected communities, and finalized thereafter before commencement of works.

Section 1: Site / Activity Information

Site / Component Cluster Title	
Azerigas Asset Reference(s)	
Location (Region / City / District / GPS coordinates)	
LDAR Activity Type	Survey only / Repair — above ground / Repair — excavation required
Estimated Cost (USD)	
Planned Start Date	
Planned Completion Date	
Contractor Name (if applicable)	
Prepared by (PMU E&S Specialists)	
Reviewed and Approved by	

Section 2: Site and Location Description

Describe the proposed site location, geographic context, proximity to sensitive receptors (residential areas, schools, hospitals, water bodies, natural habitats), and existing infrastructure. Attach a site map showing the work area, exclusion zones, and access routes.

Section 3: Subproject Activities

List all LDAR activities to be carried out at this site, including survey methods, component types to be repaired/replaced, excavation requirements, equipment to be used, workforce numbers, and estimated duration.

Section 4: ESMP Risk and Mitigation Matrix

The table below provides the standard LDAR ESMP matrix. The PMU Environmental Specialist shall review, adapt, and supplement this matrix to reflect site-specific conditions identified in the Screening Form.

Activity / Phase	Anticipated E&S Risk / Impact	Mitigation Measure(s)	Monitoring Parameter	Frequency	Responsible Party
Survey — OGI / acoustic / handheld detection (Pre-works)	VOC/methane exposure to field staff	Gas monitor carried by each worker; PPE per OHS Plan; emergency evacuation route confirmed before survey	PPE compliance check; gas monitor readings logged	Each survey day	Azerigas field supervisor
Survey (Pre-works)	Community disturbance / anxiety about gas works	Advance notification to residents per SEP; signage at survey locations	Notification records in SEP log	Before each survey campaign	PMU Social Specialist
Component repair — above ground (Implementation)	Injury from pressurized gas system	Permit-to-work issued; pressure isolation and depressurization confirmed before works; OHS induction completed	Permit-to-work records; toolbox talk records	Each repair activity	Azerigas HSE / Contractor supervisor
Component repair — above ground (Implementation)	VOC release during component removal	Controlled depressurization; vapor minimization technique applied; works downwind of community where feasible	Air quality observation; community complaints log	During repair	Contractor / PMU E&S Specialist
Repair — excavation (Implementation)	Underground utility strike	Utility survey completed before excavation; hand-digging within 500mm of known utilities	Utility survey record	Before excavation	Contractor supervisor
Repair — excavation (Implementation)	Chance find of cultural heritage	Chance Find Procedures (Annex 5) in contractor contract; briefing completed before works	Contractor briefing record	Before excavation	Contractor / PMU E&S Specialist
Repair — excavation (Implementation)	Dust, noise and soil disturbance	Dust suppression (water spray); noise barriers	Community complaints	Daily during excavation	Contractor supervisor

		where near sensitive receptors; working hours restricted to [06:00–20:00]	log; visual inspection		
All repair works (Implementation)	Hazardous waste — replaced components, chemicals, contaminated PPE	Waste segregation on site; licensed hazardous waste disposal; manifest documented in monthly contractor report per WMP	Waste manifest records; site inspection	Per waste removal event	Contractor / PMU E&S Specialist
All repair works (Implementation)	Traffic disruption	Traffic Management Plan activated; community notified; flagpersons deployed; temporary signage erected	Community complaints log; traffic flow observation	During works	Contractor supervisor
All repair works (Implementation)	SEA/SH risk from contractor workforce	Code of Conduct signed by all workers; GBV/SEA/SH briefing delivered; GRM accessible to community	Code of Conduct sign-off records; GRM log	Before and during works	PMU Social Specialist
Post-repair (Completion)	Incomplete site restoration	Site restored to pre-works condition; photographic record before and after; sign-off by PMU field staff before contract closure	Site restoration checklist; photographs	Upon completion	PMU E&S Specialist / Contractor
Post-repair (Completion)	Residual gas leak not fully repaired	Post-repair leak verification using OGI or handheld monitor; re-repair if leak persists	Post-repair verification record	Within [X] days of repair	Azerigas field team

Section 5: Capacity Development and Training

List any site-specific training required beyond standard OHS induction (ESCP B), e.g., confined space entry for below-ground valve chambers, or specific community engagement requirements for sensitive locations.

Section 6: Implementation Schedule and Budget

State the implementation timeline for mitigation measures and estimated costs to be covered by the implementing agency. Contractor mitigation costs are included in contractor bid prices.

Section 7: Attachments

- Site map with work area, exclusion zones, sensitive receptors, and access routes
- Relevant ESCOPs (Annex 3)
- Permit-to-work procedure
- Site-specific ERP and emergency contacts
- Records of pubic consultation process

Annex 3. ESMP Checklist Template

(for small-scale, routine repair works with limited, predictable, site-specific impacts)

A. Basic Information

- **Project:** Azerigas Gas Leak Detection and Repair Facility (P508792)
- **Subproject / Site Name:**
- **Location (region/city/district):**
- **Azerigas unit / department responsible:**
- **Contractor (if applicable):**
- **Type of activity:**
  - ☐ LDAR survey only
  - ☐ Minor repair of leak
  - ☐ Replacement of small component (valve, fitting, seal, meter, regulator, etc.)
  - ☐ Minor excavation for access
- **Expected start date:**
- **Expected completion date:**
- **Prepared by:**
- **Date:**

B. Screening Confirmation

Eligibility

- Is the activity within the existing Azerigas ROW / existing footprint?
  - ☐ Yes ☐ No
- Is the activity excluded under the ESMF Exclusion List?
  - ☐ No ☐ Yes → **If yes, activity is not eligible**

Applicability of ESMP Checklist

Confirm that the activity is:

- ☐ small-scale
- ☐ routine in nature
- ☐ site-specific
- ☐ temporary in duration
- ☐ with limited and predictable impacts
- ☐ not involving substantial excavation, major traffic disruption, land acquisition, or significant hazardous waste

If all are checked:

- ☐ **ESMP Checklist is appropriate**

If not:

- ☐ **Full site-specific ESMP required**

C. Site-Specific Risk Identification

Mark applicable issues:

1. Occupational Health and Safety

- ☐ Work near pressurized gas lines
- ☐ Potential methane / VOC exposure

- ☐ Use of tools/equipment
- ☐ Confined space risk
- ☐ Working at height
- ☐ Fire / explosion risk

2. Community Health and Safety

- ☐ Work in residential / densely populated area
- ☐ Temporary pedestrian restriction
- ☐ Temporary traffic disruption
- ☐ Risk to nearby households / businesses
- ☐ Need for public notification

3. Environmental Risks

- ☐ Minor solid waste generation
- ☐ Potential hazardous residues / contaminated parts
- ☐ Dust
- ☐ Noise / vibration
- ☐ Risk of soil contamination from spills
- ☐ Risk near water body / drainage

4. Social / Labor Risks

- ☐ Contractor workers involved
- ☐ Need to apply worker Code of Conduct
- ☐ SEA/SH prevention measures required
- ☐ Worker GRM to be available
- ☐ Community GRM to be communicated

5. Cultural Heritage / Excavation

- ☐ Minor excavation required
- ☐ Chance find procedure required

D. Mitigation Measures Checklist

1. Before Works Start

- ☐ Screening completed and eligibility confirmed
- ☐ Required permits / clearances obtained
- ☐ Workers briefed on OHS requirements
- ☐ PPE provided and available
- ☐ Community informed in advance of planned works
- ☐ GRM contact details disclosed at site
- ☐ Emergency contacts available
- ☐ Chance Find Procedure briefed (if excavation required)

2. During Works

Occupational Health and Safety

- ☐ Permit-to-work applied where required
- ☐ Gas detection equipment available and used
- ☐ PPE worn by all workers
- ☐ Work area supervised by competent staff
- ☐ Fire prevention and emergency response measures in place
- ☐ First aid kit available on site

Community Health and Safety

- ☐ Work area marked with signs/barriers
- ☐ Safe pedestrian access maintained
- ☐ Traffic managed safely
- ☐ Access disruptions minimized
- ☐ Nearby residents / businesses informed as needed

Environmental Management

- ☐ Waste segregated
- ☐ Hazardous residues stored safely
- ☐ Waste transferred only to authorized / licensed facilities
- ☐ No open burning or dumping
- ☐ Dust suppressed where needed
- ☐ Noise kept to minimum and limited to daytime hours where possible
- ☐ Spill prevention materials available

Labor and Social Measures

- ☐ Workers informed about Code of Conduct
- ☐ No child labor / forced labor
- ☐ Worker GRM operational
- ☐ SEA/SH reporting pathway available
- ☐ Community grievances can be submitted through GRM

Excavation / Chance Finds

- ☐ Excavation area controlled and restored
- ☐ Chance Find Procedure followed if any artifact/object discovered

E. Monitoring Checklist

Item	Yes/No	Remarks
PPE used properly		
Site barriers/signage in place		
Community notification completed		
Waste managed correctly		
No spills / leaks during works		
GRM information displayed		
No incidents / accidents		

Site restored after works		

F. Incident / Grievance Recording

- **Any OHS incident?** ☐ No ☐ Yes
- **Any community complaint?** ☐ No ☐ Yes
- **Any environmental incident (spill, improper waste handling)?** ☐ No ☐ Yes
- **Corrective action taken:**

G. Completion Confirmation

Upon completion of works:

- ☐ Site restored to original / acceptable condition
- ☐ Waste removed and disposed properly
- ☐ No outstanding grievances
- ☐ No unresolved safety issues
- ☐ Completion verified by responsible Azerigas staff

Verified by:
Name / Title:
Signature / Date:

Annex 4. Environmental and Social Codes of Practice

> **Purpose:** These ESCOPs provide pre-prepared E&S risk management measures for standard LDAR activities. They are applied when the Screening Form indicates that a site-specific ESMP is not required, or they are incorporated into ESMPs as annexes. ESCOPs must be included in contractor bidding documents and contracts. The Responsible Party column must be completed before use.

Issue / Risk	Prevention / Mitigation Measures	Phase	Responsible Party
Pressurized gas system safety	Issue permit-to-work before any works on pressurized components. Complete pressure isolation, depressurisation and gas-freeing. Verify with gas monitor before opening system. Two-person minimum for all pressurized system works.	Implementation	Contractor / Azerigas HSE
VOC / methane exposure	All field workers carry calibrated personal gas monitors. Set alarm thresholds per Azerigas OHS standards. Evacuate immediately if alarm triggered. Work upwind of leak sources where feasible.	Implementation	Contractor supervisor
PPE requirements	Minimum PPE for all LDAR works: gas monitor, flame-resistant clothing, safety boots (steel-toed), nitrile gloves, safety glasses, hard hat. Respiratory protection (half-face respirator) for confined space or high-VOC environments.	Implementation	Contractor / Azerigas HSE
Working at height (above-ground components)	Use certified scaffolding or elevated work platforms for works above 2 metres. Do not work at height during strong winds or rain. Harness and fall arrest required above 4 metres.	Implementation	Contractor supervisor
Confined spaces (below-ground valve chambers)	Confined space entry permit required. Test atmosphere before entry (O2, LEL, H2S, CO). Standby person at entry point at all times. Emergency retrieval equipment on site.	Implementation	Contractor / Azerigas HSE
Emergency preparedness	Emergency contacts (Azerigas HSE, local fire brigade, ambulance) posted at each work site. Evacuation route confirmed before works. First aid kit and fire extinguisher on site. Workers briefed on ERP before works start.	Planning / Implementation	PMU HSE / Contractor
VOC/methane air emissions during repair	Use controlled depressurisation technique; minimise venting duration. Avoid repair works during temperature inversions or low-wind conditions in residential areas. Log estimated release volumes.	Implementation	Contractor supervisor

Chemical storage and spill prevention	Store all chemicals (solvents, lubricants, sealants) in secondary containment. Spill kit (absorbent material, disposal bags) available at each work site. No chemical storage within 50m of water bodies or drainage channels.	Implementation	Contractor supervisor
Hazardous waste management	Segregate hazardous waste (hydrocarbon-contaminated components, chemical waste, contaminated PPE) from non-hazardous waste at source. Store in labelled, sealed containers. Transport to and dispose at licensed facility only. Record in waste manifest.	Implementation / Completion	Contractor / PMU E&S
Solid waste — non-hazardous	Collect and contain all non-hazardous waste on site daily. Remove to designated disposal point approved by local authority. No open burning or burial on site.	Implementation	Contractor supervisor
Dust and noise	Apply water spray to suppress dust at excavation sites. Restrict noisy activities to [06:00–20:00]. Use noise barriers near sensitive receptors (schools, hospitals, residences). Maintain vehicle speeds below [10 km/h] in community areas.	Implementation	Contractor supervisor
Traffic management	Erect temporary traffic signs and barriers before road works. Deploy flagpersons at vehicle entry/exit points. Maintain at least one lane of traffic at all times where possible. Notify local traffic authority for road closures.	Implementation	Contractor supervisor
Community notification	Distribute advance notice to affected residents and businesses at least [5] working days before works start. Notice to include: nature of works, dates, contact for queries, GRM access details. Post signage at work site.	Planning	PMU Social Specialist
Protection of public utilities and infrastructure	Conduct utility survey (underground services scan) before any excavation. Mark utilities on site plan. Hand-dig within 500mm of mapped utilities. Immediately notify utility owner and PMU if utility is struck.	Planning / Implementation	Contractor supervisor
Site restoration	Restore all work sites to pre-works condition upon completion. Backfill and compact all excavations. Reinstate surface (asphalt, paving, turf) to match original. Remove all temporary structures, signage, and waste. Photographic record before and after works.	Completion	Contractor / PMU E&S

Annex 5. Labor Management Procedures

The below elements of LMP will be incorporated in the POM.

Scope and Worker Types

The following worker categories are identified in the Project:

Worker Category	Definition for this Project	Estimated Number	Key Risks
Direct Workers	PMU staff (Environmental Specialist, Social Specialist, HSE officers) employed directly by Azerigas for project management and oversight.	3–5	OHS oversight responsibilities; workplace stress
Contracted Workers	Field technicians, equipment operators, repair crews, and supervisors employed by contractors and sub-contractors to conduct LDAR surveys and repair works.	TBD per contract	Pressurized gas system hazards; VOC/methane exposure; confined space; working at height; SEA/SH risks
Primary Supply Workers	Workers employed by suppliers of LDAR equipment, detection instruments, or specialist repair components where supply is directly linked to the project.	Limited	Supply chain labor standards; child/forced labor risk in supply chain

Relevant Azerbaijani Labor Legislation

- Labor Code of the Republic of Azerbaijan (1999, as amended) — regulates employment contracts, working conditions, wages, hours, leave, and worker rights
- Law on Occupational Safety and Health (2010) — sets obligations for employers on safe working conditions
- Law on Employment (2001, as amended) — governs recruitment, non-discrimination, and termination
- Criminal Code provisions on forced labor and child labor — prohibits use of forced, compulsory, or child labor
- Law on Gender Equality (2006) — prohibits gender discrimination in employment

General Labor Conditions

- All workers receive written employment contracts in Azerbaijani (and Russian or English if requested) with clear terms: role, hours, wages, benefits, leave, and termination conditions
- No worker under 18 years of age shall be employed. Age verification conducted for all workers before engagement
- No forced, bonded, or compulsory labor. All workers engaged voluntarily
- Equal pay for equal work regardless of gender, ethnicity, nationality, age, or disability
- Standard working hours: [8 hours/day, 40 hours/week]. Overtime compensated per Labor Code
- Workers provided with access to adequate drinking water, sanitation facilities, and first aid at all work sites
- Workers informed of the Worker GRM upon recruitment and in their contract

OHS Procedures

OHS Topic	Requirement	Responsible Party
Hazard Identification	Contractor to conduct site-specific hazard identification before works start at each site. Document in site safety plan and share with PMU HSE.	Contractor / PMU HSE
Permit to Work	Mandatory permit-to-work system for all works on pressurized gas components. Issued by Azerigas-authorized person only. Includes pressure isolation, depressurization, and gas-free verification.	Azerigas HSE / Contractor
PPE	Minimum PPE provided at no cost to all workers: gas monitor, FR clothing, steel-toed boots, gloves, safety glasses, hard hat. Additional PPE (respirator, harness) for specific tasks per risk assessment.	Contractor
OHS Induction	All workers complete OHS induction before starting work on any LDAR site. Records kept by contractor and submitted to PMU HSE.	Contractor / PMU HSE
Incident Reporting	All incidents and near-misses reported to Azerigas HSE and PMU immediately. Fatalities and serious incidents reported to World Bank within 48 hours (ESCP E). Monthly incident statistics in contractor report.	Contractor / PMU
Emergency Response	Site ERP in place before works start. Emergency contacts posted at site. First aid kit and fire extinguisher on site. Monthly emergency drill at active contractor sites.	Contractor / PMU HSE
Working Hours	Standard working hours: [07:00–18:00], Monday–Saturday. Overtime only with PMU approval. No works on public holidays without prior community notification.	Contractor / PMU
Substance / Alcohol Policy	Zero tolerance for alcohol or drugs on all LDAR work sites. Random testing may be conducted by Azerigas HSE.	Azerigas HSE / Contractor

Contractor Management

- PMU includes all LMP provisions in E&S specifications of contractor bidding documents and contracts
- Contractors required to submit monthly E&S monitoring reports including OHS statistics, incidents, and worker grievances
- PMU conducts regular site visits to verify contractor compliance with LMP. Non-compliance documented and corrective action required within agreed timeframe
- PMU may withhold payment or apply other contractual remedies for significant non-compliance, including failure to report incidents
- Contractors required to cascade LMP training to all sub-contractors and workers before works start.

SEA/SH Prevention and Response

- All workers sign Code of Conduct (see Section 4.8) before starting work, acknowledging zero tolerance for SEA/SH

- GBV/SEA/SH awareness training delivered to all contractor workers before works start in each area (ESCP B)
- SEA/SH complaints received through Worker GRM and/or community GRM are handled through a dedicated confidential pathway
- PMU Social Specialist is responsible for SEA/SH complaint management. Complaints referred to relevant GBV service providers in Azerbaijan (ESCP 10.2)
- All SEA/SH allegations reported to World Bank as serious incidents within 48 hours

Worker Grievance Mechanism

Worker GRM provides all Project workers with a safe, confidential, and accessible channel to raise concerns about working conditions, OHS, Code of Conduct violations, or SEA/SH, without fear of retaliation. Workers are informed of the GRM upon recruitment, and it is described in their contract.

Step	Action	Timeframe	Responsible Party
1 — Receipt	A worker (separate contact details based on the ESS2) or a community member submits grievance via any channel (separate contact details based on the ESS10): phone hotline, email, written submission at Azerigas regional office, or via contractor supervisor (for workers). Anonymous submissions accepted. Azerigas shall operate the worker grievance mechanism for its own workers, including field workers, while each contractor shall establish and operate a grievance mechanism for its own personnel. This mechanism shall address labor and working conditions and other employment-related concerns, and shall remain distinct from the Project GRM, which is intended for project stakeholders and project-affected people. Contractors shall ensure that their workers have access to a separate worker grievance mechanism. For small contractors or individual crews, access may be provided through the Azerigas worker grievance mechanism, provided it is accessible, confidential, and separate from Project GRM.	Anytime	PMU Social Specialist and Contractor
2 — Registration	Grievance logged in GRM register with unique reference number (year-sequence-region). Acknowledgement sent to complainant.	Within 2 working days of receipt	PMU Social Specialist
3 — Assessment	PMU Social Specialist assesses grievance. SEA/SH grievances routed to dedicated confidential pathway with referral to GBV service providers. Serious incidents escalated to PMU management.	Within 3 working days	PMU Social Specialist

4 — Resolution	Appropriate action taken. Complainant informed of outcome. For worker grievances not resolved at site level within 1 week, escalate to PMU.	Within 10 working days (non-urgent); 24 hours (urgent/safety)	PMU and Contractor
5 — Closure	Confirmed resolved with complainant. Outcome recorded in GRM log.	Upon resolution	PMU Social Specialist
6 — Escalation	If unresolved, complainant may refer to national labor authorities or courts. PMU to inform World Bank of any unresolved serious grievances.	As needed	PMU / Complainant
7 — Reporting	Monthly GRM summary (number received, resolved, pending, by category) included in PMU quarterly E&S report to World Bank.	Monthly / Quarterly	PMU Social Specialist

4.8 Code of Conduct

> **Applicability:** All project workers — direct, contracted, and sub-contracted — must sign this Code of Conduct before starting work. Contractors are responsible for briefing their workers and sub-contractors on the Code. Violations may result in termination and/or referral to national authorities.

I, the undersigned, commit to the following as a worker on the Azerbaijan Gas Leak Detection and Repair Facility (P508792):

- I will treat all people — community members, colleagues, and project stakeholders — with respect, regardless of gender, age, ethnicity, religion, disability, or other personal characteristics
- I will not engage in sexual harassment, sexual exploitation, or abuse (SEA/SH) of any kind toward community members, colleagues, or any person encountered during project work
- I will not engage in any form of gender-based violence (GBV), including physical, psychological, or sexual violence
- I will not use project resources (vehicles, phones, equipment) to harass, exploit, or harm any person
- I will report any SEA/SH, GBV, or Code of Conduct violations I witness through the Worker GRM or directly to the PMU Social Specialist
- I will comply with all OHS requirements, wear required PPE, and follow the permit-to-work system at all times
- I will not consume alcohol or drugs during working hours or on work sites
- I will not engage in any illegal activity in connection with project work
- I understand that violation of this Code of Conduct may result in immediate termination of my contract, civil or criminal liability, and reporting to the World Bank

Worker Name	Signature	Date