

**Azerenerji Open Joint-Stock Company
Azerbaijan Scaling-Up Renewable Energy
(AZURE) Project (P505208)**

**Negotiated
ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

February 25, 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Azerenerji Open Joint-Stock Company (“Azerenerji” or the “Borrower”) will implement the Azerbaijan Scaling-Up Renewable Energy Project (the Project) as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the World Bank) has agreed to provide financing for the Project, as set out in the referred agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the World Bank. The ESCP is a part of the Loan Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring, and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank. As provided for under the referred agreement, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the World Bank and the Borrower, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the Borrower’s representative specified in the Agreement. The Borrower shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>Prepare and submit to the World Bank regular monitoring reports on the environmental, social, health, and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p>	<p>Submit quarterly reports to the World Bank throughout Project implementation commencing after the Effective Date. Submit each report to the World Bank no later than 30 calendar days after the end of each reporting period.</p>	Azerenerji
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the World Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury.. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and/or supervising firm, as appropriate.</p> <p>Subsequently, at the World Bank’s request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the World Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the World Bank within a timeframe acceptable to the World Bank.</p>	Azerenerji
C	<p>CONTRACTORS’ MONTHLY REPORTS</p> <p>Require contractors and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts, and submit such reports to the World Bank.</p>	<p>Submit the monthly reports to the World Bank as annexes to the reports to be submitted under action A above.</p>	Azerenerji
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Maintain a Project Implementation Unit (PIU) with qualified staff and resources to support management of ESHS risks and impacts of the Project including one environmental specialist, one social specialist, one gender specialist, a stakeholder engagement specialist, and an occupational health and safety (OHS) specialist.</p>	<p>Maintain the PIU throughout Project implementation as set out in the loan agreement.</p>	Azerenerji
1.2	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p>		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>Part 1</p> <p>1a. Prepare, disclose, and consult an Environmental and Social Impact Assessment (ESIA), and corresponding Environmental and Social Management Plan (ESMP) covering Part 1 of the Project.</p> <p>1b. Finalize revisions of the draft ESIA/ESMP in a manner acceptable to the Bank, and thereafter redisclose.</p> <p>1c. Update ESIA/ESMP to accommodate the finding of additional biodiversity studies mentioned under action 6.1 below.</p> <p>2. Adopt and implement ESIA and ESMP consistent with the relevant ESSs and in a manner acceptable to the Bank</p>	<p>1a/1b. Revised ESIA and ESMP has been consulted and disclosed prior to Negotiations</p> <p>1c. Before the start of civil works.</p> <p>2. Adopt the ESIA/ESMP before launching the respective civil works under the Project. Once adopted, implement the respective ESMP throughout Project implementation.</p>	Azerenerji
1.3	<p>MANAGEMENT OF CONTRACTORS</p> <p>a. Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures, and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms.</p> <p>b. Ensure preparation, adoption and implementation of contractor’s ESMP (C-ESMP).</p> <p>c. Thereafter ensure that the contractors and supervising firm(s) comply and cause subcontractors to comply with the ESHS specifications of their respective contracts.</p>	<p>a. As part of the preparation of procurement documents and respective contracts.</p> <p>b. C-ESMP to be in place, endorsed by the PIU and supervision consultant, prior to commencement of civil works.</p> <p>c. Supervise contractors throughout Project implementation</p>	Azerenerji (for activity (b), Azerenerji will cause the contractors to carry out activity (b))
1.4	TECHNICAL ASSISTANCE		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	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 World Bank that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.	Throughout Project implementation.	Azerenerji
1.5	<p>ASSOCIATED FACILITIES</p> <p>1. Contract third party to update the independent Environmental and Social Due Diligence (ESDD) Report and Corrective Action Plan (CAP) in a manner acceptable to the World Bank for the Associated Facilities - the Navahi substation and the Absheron Garadagh Wind Power Plant.</p> <p>2. Ensure that the construction and operation of the Navahi substation are carried out in accordance with the applicable requirements of this ESCP and the ESSs, including, inter alia, the ESDD Report, CAP, ESIA, ESMP, LMP, management of contractors, SEP, RPF, and RAP.</p> <p>3. Coordinate with Masdar and relevant government agencies to ascertain that development, construction, commission and operation of the Absheron Garadagh Wind Power Plant are carried out in accordance with the applicable requirements of this ESCP and the ESSs, including, inter alia, the ESDD Report, CAP, ESIA, ESMP, LMP, management of contractors, SEP, RPF and RAP.</p>	<p>1, Disclosed draft ESDD (ESDD) Report and CAP to be revised and re-disclosed subject to Bank’s clearance and prior to start of civil works at Absheron Garadagh Wind Power Plant. Relevant measures identified in the CAP for Navahi substation to be implemented by the Effective Date. Relevant measures identified in the CAP for Absheron Garadagh Wind Power Plant within the timeline agreed by the Bank and specified in CAP.</p> <p>2. Compliance with the provisions of respective E&S documents and CAP ensured throughout the construction and operation periods.</p> <p>3. Coordination on compliance with the provisions of respective E&S documents and CAP ensured throughout the development, construction, commission and operation of Absheron Garadagh Wind Power plant.</p>	<p>Azerenerji</p> <p>Azerenerji</p> <p>Azerenerji, through Ministry of Energy, as per MOU to be entered into between Azerenerji and Ministry of Energy</p>
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES		Azerenerji

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Adopt and implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.	Adopt the LMP prior to engaging Project workers for World Bank financed infrastructure under the Project as well as Associated Facilities (action 1.5) and thereafter implement the LMP throughout Project implementation.	
2.2	GRIEVANCE MECHANISM FOR PROJECT WORKERS Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.	Establish grievance mechanism prior to hiring Project workers for World Bank financed infrastructure under the as well as Associated Facilities (action 1.5) and thereafter maintain and operate it throughout Project implementation.	Azerenerji
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	WASTE MANAGEMENT PLAN Adopt and implement a Waste Management Plan (WMP) to be developed within the scope of the ESIA and ESMP for the management of wastes generated during construction and operation of the energy infrastructure supported under the Project, as consistent with ESS3 and in a manner acceptable to the World Bank.	Same timeframe as for the adoption and implementation of the ESIA and ESMP.	Azerenerji
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Incorporate resource efficiency in the ESMP to be prepared under action 1.2 above. Adopt and implement a Pollution Prevention Plan to be developed within the scope of the ESIA and ESMP, as consistent with ESS3 and in a manner acceptable to the World Bank.	Same timeframe as for the adoption and implementation of the ESIA and ESMP.	Azerenerji
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Incorporate measures to manage traffic and road safety risks as required in the ESMPs to be prepared under action 1.2 above.	Same timeframe as for the preparation, adoption, and implementation of the ESIA and ESMP under action 1.2 above.	Azerenerji
4.2	COMMUNITY HEALTH AND SAFETY		Azerenerji

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Assess risks and impacts to the community arising from Project activities including, inter alia, behaviour of Project workers, risks of labour influx, response to emergency situations, as part of the ESIA and include mitigation measures in the ESMPs.	Same timeframe as for the preparation, adoption, and implementation of the ESIA and ESMP under action 1.2 above.	
4.3	SEA AND SH RISKS Prepare, adopt, and implement a SEA/SH Action Plan to assess and manage the risks of SEA and SH.	Prepare the SEA/SH Action Plan by Effective Date and thereafter adopt and implement the SEA/SH Action Plan throughout Project implementation.	Azerenerji
4.4	SECURITY MANAGEMENT Assess and implement measures to manage the security risks of the Project, including the risks of engaging security personnel to safeguard project workers, sites, assets, and activities as set out in the ESMP guided by the principles of proportionality and good international industry practice, and by applicable law, in relation to hiring, rules of conduct, training, equipping, and monitoring of such personnel.	Same timeframe as for the preparation, adoption, and implementation of the ESIA and ESMP under action 1.2 above.	Azerenerji
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	RESETTLEMENT POLICY FRAMEWORK Adopt and implement the publicly consulted Resettlement Policy Framework (RPF) for the Project, consistent with ESS5.	Adopt the RPF prior to start of works for World Bank financed infrastructure (action 1.2) as well as Associated Facilities (action 1.5) and thereafter implement the RPF throughout Project implementation.	Azerenerji
5.2	RESETTLEMENT ACTION PLANS Prepare, disclose and consult resettlement action plan (RAP) for each activity under the Project for which the RPF requires such RAP, as set out in the RPF and consistent with ESS5, thereafter adopt and implement.	Prepare, disclose, and carry out public consultation prior to signing of works contract for World Bank funded infrastructure and thereafter adopt and implement the respective RAP, including ensuring that before taking possession of the land and related assets, full compensation has been provided and displaced people have been resettled and moving allowances have been provided.	Azerenerji
5.3	GRIEVANCE MECHANISM		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	The grievance mechanism (GM) to address resettlement related complaints shall be described in the RPF, RAPs and SEP.	Establish and operationalise the grievance mechanism prior to start of works for World Bank financed infrastructure (action 1.2) as well as Associated Facilities (action 1.5) and thereafter maintain and operate the mechanism throughout Project implementation.	Azerenerji
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	<p>BIODIVERSITY RISKS AND IMPACTS</p> <ol style="list-style-type: none"> 1. Adopt and implement a Biodiversity Management Plan (BMP), as part of the ESIA and ESMP, in accordance with the guidelines of the ESIA prepared for the Project, and consistent with ESS6. 2. Undertake additional biodiversity studies to cover migratory bird assessment studies and potential critical habitat assessment and implement any resulting recommendations. These studies shall be undertaken in several rounds covering migratory, breeding and nesting seasons and inform detailed mitigation measures, including those for bird protection and critical habitats, and compensatory measures as needed and consistent with ESS6. 3. Update the BMP, and disclose and implement the updated BMP in accordance with the provisions of the updated ESIA, and consistent with ESS6. 	<ol style="list-style-type: none"> 1. Adopt BMP under the same timeframe as for the preparation and adoption of the ESIA and ESMP under action 1.2 above, and thereafter implement the BMP throughout Project implementation. 2. Undertake additional biodiversity studies covering migration, breeding and nesting seasons within the project area, and adopt and implement recommendations prior to start, and/or during the implementation of civil works 	Azerenerji

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>4. Ensure the alignment of construction works planning with the findings of the additional biodiversity studies and updated C-ESMP.</p> <p>5. a. Require contractors to adopt and implement relevant biodiversity measures and actions as required in the ESMP, BMP and C-ESMP mentioned in actions 1.3 and 1.4 above and as required in the C-ESMP in accordance with the ESMP and BMP.</p> <p>b. Update the C-ESMP respectively.</p> <p>6. Prepare and submit to the Bank post-construction birds monitoring protocol for Bank's no objection</p>	<p>3a. Update the BMP in several rounds, by incorporating findings from the migratory seasonal observations, and critical habitat assessment. First BMP update and disclosure incorporates findings of autumn 2024 migratory birds' surveys and has been finalized before negotiations. Further updates shall follow the spring 2025 bird surveys, and critical habitat assessment, and be finalized before the start of respective civil works. Thereafter implement the update BMP throughout the Project implementation</p> <p>4. Prior to the start of relevant civil works under the Project, as set out in the ESIA and agreed with the World Bank.</p> <p>5a. Prepare C-ESMP prior to the commencement of civil works and thereafter implement throughout the duration of the civil works.</p> <p>5b. Update C-ESMP respectively, following the updates of the BMP.</p> <p>6. Submit post-construction bird monitoring protocol no later than three months prior to the construction completion.</p>	
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
This Standard is considered not relevant to this Project.			
ESS 8: CULTURAL HERITAGE			
8.1	CULTURAL HERITAGE RISKS AND IMPACTS		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Undertake an assessment of risks and impacts to cultural heritage as part of the ESIA and prepare Cultural Heritage Management Plan (CHMP) as part of the ESMP, in accordance with the guidelines of the ESIA prepared for the Project, and consistent with ESS8 and thereafter adopt and implement	Same timeframe as for the preparation, adoption, and implementation of the ESIA and ESMP under action 1.2 above.	Azerenerji
8.2	CHANCE FINDS Describe and implement the chance finds procedures as part of the CHMP of the Project.	Describe the chance find procedures in the CHMP. Implement the procedures throughout Project implementation, as needed.	Azerenerji
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).]			
This Standard is considered not relevant to this Project.			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Adopt and implement the initial Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.	Adopt the SEP prior to start of works for World Bank financed infrastructure as well as Associated Facilities (action 1.5) and thereafter implement the SEP throughout Project implementation.	Azerenerji
10.2	UPDATE OF SEP AND IMPLEMENTATION Update the SEP for the Project in line with findings from the ESIA and ESMP, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.	Same timeframe as for the preparation, adoption, and implementation of the ESIA and ESMP under action 1.2 above.	Azerenerji
10.3	PROJECT GRIEVANCE MECHANISM Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.	Establish and operationalise the grievance mechanism prior to start of works for World Bank financed infrastructure as well as Associated Facilities (action 1.5) and thereafter maintain and operate the mechanism throughout Project implementation.	Azerenerji

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centred manner.		
CAPACITY SUPPORT			
CS1	<p>Training for PIU staff and project workers on:</p> <ul style="list-style-type: none"> • establishing a corporate environmental and social management system • environmental and social policies • specific aspects of environmental risk management, including risks on biodiversity, water courses and riverine ecosystems, waste management and pollution prevention • traffic management • hazardous and non-hazardous waste management • biodiversity management actions • social impact assessment and management of risks, including managing displacement • stakeholder engagement • grievance management • incident management and reporting • emergency preparedness and response • community health and safety • gender including SEA/SH • monitoring and reporting on environmental and social performance <p>Awareness raising of communities on</p> <ul style="list-style-type: none"> • grievance management • real and perceived impacts of electro-magnetic field • emergency prevention and preparedness and response arrangements to emergency situations • community health and safety including on SEA/SH • training on Biodiversity post construction monitoring • awareness training for local communities on electrocution risks • emergency preparedness and response (e.g., natural disasters or any other risk) 	Provide full training and awareness session within a month after hiring employees for World Bank financed infrastructure (action 1.2) as well as Associated Facilities (action 1.5) and thereafter as required.	Azerenerji
CS2	<p>Training for Project workers on</p> <ul style="list-style-type: none"> • worker grievance mechanisms 	Provide full training and awareness session within a month after hiring employees and thereafter as required.	Azerenerji

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> • occupational health and safety including, use of personal protective equipment, labour safety, use of electric equipment, life and fire safety procedures, observance of working hours, etc. • SEA/SH in the workplace and code of conduct • emergency prevention and preparedness and response arrangements to emergency situations. • training of the contractors’ workers on transmissible diseases prevention measures and protocols. 		