

# Khizi 3 Wind Farm Project Khizi Region Azerbaijan



## Stakeholder Engagement Plan (SEP)

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## LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ADB	Asian Development Bank
BOO	Build Own Operate
CESMP	Construction Environmental & Social Management Plan
CHA	Critical Habitat Assessment
EBRD	European Bank for Reconstruction and Development
Ecoenergy	Ecoenergy Ltd.
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EP	Equator Principles
EPC	Engineering, Procurement and Construction
EPFI	Equator Principle Financial Institutions
ESIA	Environmental & Social Impact Assessment
ESMS	Environmental and Social Management Systems
FGD	Focus Group Discussions
GBVH	Gender Based Violence & Harassment
GHG	Greenhouse Gas
IFC	International Finance Corporation
JICA	Japan International Cooperation Agency
MENR	Ministry of Ecology and Natural Resources
MoE	Ministry of Energy
NDC	Nationally Determined Contribution
NOMAC	National Operations and Maintenance Company Ltd.
OFID	OPEC Fund for International Development
OHTL	Overhead Transmission Lines
O&M	Operation & Maintenance
PIC	Public Information Centre
PPA	Power Purchase Agreement
PR	Performance Requirement
PS	Performance Standard
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
5 Capitals	5 Capitals Environmental & Management Consultancy

# 1 INTRODUCTION

This document is the Stakeholder Engagement Plan (SEP) for the Khizi 3 Wind Power project (the Project). This SEP outlines the proposed framework methodology for stakeholder engagement throughout the lifecycle of the Project, with a specific emphasis regarding the guidelines of the International Lenders and any applicable national laws.

## 1.1 Objectives of the SEP

The objectives of the SEP include:

- To identify the key stakeholders that may be affected by the Project or may influence the outcome of the Project;
- To define processes to inform the identified stakeholders about the Project and to manage stakeholder expectations;
- To define the frequency and timeline for engagement with different stakeholder groups;
- To understand current and potential emerging issues and to capture views and concerns of the relevant stakeholders with regard to the Project;
- To provide a basis for stakeholder participation in environmental and social impact identification, prevention and mitigation including impacts and risks relating to Gender Based Violence & Harassment (GBVH) including Sexual Exploitation and Abuse (SEA);
- To propose a platform for reporting back on mechanisms to address these impacts; and
- To establish a grievance mechanism that will be implemented for the Project.

## 1.2 Project Background

ACWA Power signed an implementation agreement with the Ministry of Energy (MoE) in Azerbaijan for developing, building and operating a 240 MW wind power project. The wind project is expected to operate 25 years on a Build Own Operate (BOO) basis according to the Power Purchase Agreement (PPA). The 240.5 MW wind project will be split and built on two (2) locations as follows:

- Khizi 3: Capacity up to 162.5 MW and will be generated using maximum of 25 Wind Turbine Generators (WTG), located in Khizi region; and
- Area 1: Capacity up to 78 MW and will be generated using maximum of 12 WTGs, located at Absheron region.



**Figure 1-1 Regional Location of 240 MW Wind Farms**



ACWA Power is seeking project finance from International lenders including the European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB) and the OPEC Fund for International Development (OFID) who have their own defined Environmental and Social Policies and standards/requirements). Note: other lenders, such as Equator Principles Financial Institutions may also be involved in financing (to be confirmed). As such, the Project's stakeholder's engagement processes need to be of a standard that can ensure alignment with both the national regulations and the requirements of the various Project lenders.

ACWA Power has appointed 5 Capitals Environmental & Management Consultancy (5 Capitals) to undertake a scope of pre-financial close environmental & social consultancy services, including the development of this SEP for the Khizi 3 Wind Power project.

### 1.3 Scope of SEP

The scope of the SEP is to specify the methods to efficiently manage and facilitate future engagement with stakeholders during the construction, commissioning and operational phases of the Project . This document applies to the Khizi 3 WF and covers the following project components:

- WTG platforms (this includes foundation and crane pad area);



- Substation and any storage facilities;
- Trenches for underground cables; and
- Access roads.

Overhead transmission lines (OHTL) will connect the Project to the national grid. The responsibility for developing, constructing, commissioning and operating the OHTL lies with the Project off-taker, Azerenergi, and is not being directly funded under the loan agreement with lenders. Therefore, the scope of the SEP excludes the OHTL. A separate environmental permit will be sought for the OHTL by the off-taker, however, the outcome of the baseline surveys and assessment undertaken for the OHTL as part of the ESIA study and the relevant mitigation measures will be provided to Azerenergi for their implementation in line with the national requirements.

This SEP has been prepared to align with applicable requirements of the EBRD, ADB and OFID, in addition to applicable elements of the IFC Performance Standards via requirements in Equator Principle IV, specifically EP5 and EP6 that establish requirements for Stakeholders Engagement and Grievance Mechanism respectively.

The SEP will remain relevant throughout the lifetime of the Project as a 'live document', it will act as a plan within the Project's construction, commissioning and operational phase ESMS that will require updating as Project circumstances or stakeholder dynamics evolve; and to ensure continual improvement of the Environmental and Social Management System (ESMS).

The SEP aligns with the following chapter structure:

#### 1. Introduction

- Objectives of the SEP
- Project Background
- Scope of SEP

#### 2. Project Overview

- Project Rationale
- Project Location
- Project Description
- Associated Facilities
- Project Construction & Commissioning Requirements
- Project Operational Requirements
- Local Context and Sensitivities

#### 3. Regulations and Requirements

- National Requirements

- 
- Lenders Requirements
4. Stakeholder Identification and Analysis
    - Approach to Stakeholder Identification
  5. Stakeholder Engagement/ Consultations Undertaken
    - Measures Undertaken prior to Consultations
    - Consultations during Scoping and ESIA
    - Consultation Meetings During ESIA Preparation
    - Public Information Centre (PIC)
  6. Future Stakeholder Engagement Programme
    - Engagement Methods
    - Disclosure of E&S Documents
    - Measures to Avoid Reprisal
    - Stakeholder Engagement During Construction and Commissioning
    - Stakeholder Engagement During Operation
  7. Grievance Mechanism
    - Key Principles of Grievance Mechanism
    - Scope of Grievance Mechanism
    - Steps in Managing Grievance Mechanism
    - Grievance Mechanism in Construction and Commissioning Phase
    - Grievance Mechanism during the Operational Phase
    - Grievance Procedures for Women and Vulnerable and Disadvantaged Groups
    - Grievance Mechanism Contact Details
    - Process Flow and Timeline
    - Training
  8. Implementation Plan
    - Roles and Responsibilities
    - Monitoring and Reporting
  9. Review
  10. Appendices

## 2 PROJECT OVERVIEW

### 2.1 Project Rationale

Azerbaijan's National State Programme on the Use of Alternative and Renewable Energy Sources, 2016-2020, aims to increase the share of alternative and renewable energy sources to 20%. The Programme has identified wind as the preferred source of alternative energy with an estimated annual wind power capacity of 800 MW, based on International Energy Agency (IEA). This is due to the unlimited wind availability in Azerbaijan and the lower costs of the technology (IEA, 2020). Therefore, this Project will contribute towards Azerbaijan's carbon commitments in reducing its Greenhouse Gas (GHG) emissions 35% by 2030, measured from the 1990 base year set in its Nationally Determined Contribution (NDC) under the Paris Agreement (IRENA, 2019). Other benefits include:

- Social benefits: The project is expected to create employment opportunities during the construction and operational phases;
- Economic benefits: Due to the reduction in GDP growth and substantial drop in oil prices in recent years, the country is planning to diversify its economy and move towards a modernised energy system, which includes renewable energy projects. Non-oil sector foreign direct investment (FDI) is set to increase from 1.5% to 4% by 2025 and an increase in the share of non-oil sector exports from USD 200 per capita in 2016 to USD 450 by 2025 and USD 1 200 by 2035, as set by the Strategic Roadmap on National Economic Perspectives (approved by Presidential Decree on 6 December 2016) (IRENA, 2019). Part of this diversification will be achieved through the development of the Khizi 3 and Area 1 WFs; and
- Environmental benefits: The operation of the WF is a proactive measure towards a low carbon transition for Azerbaijan's economy harnessing the abundant wind resource in the country. This project will reduce the country's dependency on fossil fuel generated power and will reduce atmospheric pollution; in comparison to other power generation technologies in the current energy mix of Azerbaijan.

### 2.2 Project Location

The Project is located on the hilltops of the Khizi region, approximately 55km north west of Baku. The proposed Project location is provided in the figure below. The Project footprint will include the following:

- WTG platforms (this includes foundation and crane pad area);
- Substation and any storage facilities;
- Trenches for underground cables; and

- Access roads.

**Figure 2-1 Project Location**



## 2.3 Project Description

The proposed Project will consist of 25 WTG arranged in a specific arrangement across the proposed site to ensure the most efficient capture of the prevailing wind.

The proposed WTG is the Envision Energy EN-171/6.5 Wind Turbine model. 'The EN-171/6.5 WTG has a rated power of 6.5 MW, 171m rotor diameter, and three (3) blades, horizontal axis, upwind direction, variable speed and pitch control (Envision Energy Co., Ltd, n.d.)'.

Wind turbines harness the energy in the wind and convert it to electricity. The WTG mainly consists of blades, hub, pitch system, generator rotor, generator stator, yaw system, wind measurement system, lubrication system, nacelle base, and tower as shown in Figure below (Goldwind Science & Technology Co. Ltd., 2021). Besides the wind turbines, the Project also includes:

- The access roads connecting the Project to the existing road network; and
- Underground electrical connections between the Wind Farm and Substation.

## 2.4 Associated Facilities

An Overhead Transmission Line (OHTL) will connect the Project to the national grid. The responsibility for developing the OHTL lies with Azerenergi Open Joint Stock Company (Azerenergi), the Project off-taker and as such, the OHTL is considered an 'Associated Facility'; as it is not being directly funded under the project loan agreement by lenders.

## 2.5 Project Construction & Commissioning Requirements

Construction and commissioning will be the contractual responsibility of the EPC Contractor. One (1) area within the Project boundary is being considered as a temporary construction area. This is currently planned on land adjacent to the sub-station plot. This area will be required during the construction phase of the Project for the storage of materials by the Engineering Procurement and Construction (EPC contractor) as well as sub-contractors.



**Figure 2-2 Construction and Storage Yard and Substation Locations**



At this stage it is understood that approximately 220 personnel will be present at the Wind Farm during peak construction periods. This will comprise a combination of Project Company, EPC Contractor and Sub-Contractor staff. Recruitment for the Project will be advertised locally and preference will be given to nationals matching levels of skills requirements.

At this stage, the exact location of the workers accommodation for either the EPC contractor and sub-contractor are not confirmed. However, as much of the workforce is planned to be recruited from the local community, these workers will not require dedicated accommodation. However, for other or foreign workers, accommodation areas will be established either in Sumgait (not far from the project area) or Baku since both cities will have appropriate facilities and infrastructure. It is stated in the ESIA that the necessary facilities and standards of all worker accommodation/camps will be in accordance with the IFC/EBRD Worker Accommodation: Processes and Standards (2009).

On site, a temporary camp will be set up for emergency accommodation and will be suitable to the weather in the area.

## 2.6 Project Operational Requirements

The duration of the PPA is 25 years from the Project Commercial Operation Date and operations and maintenance activities of the Wind Farm will be undertaken by The First

National Operations and Maintenance Company Ltd. (NOMAC), a wholly owned subsidiary of ACWA Power.

The operation of the wind farm is likely to be monitored and controlled from a remote location, as such, only limited operational activities will be required, such as:

- Operation and maintenance to include normal daily operation of equipment including maintenance (electromechanical and housekeeping) to optimise energy yield and life of the system;
- Remotely activated turbine shutdown during excessive wind speeds;
- Management of operations in relation to resident bird and bat species and migration periods during Spring and Autumn.

At this stage, it is understood that a workforce of about 10 staff will be engaged to carry out operation and maintenance activities of the wind farm.

It is expected that there will not be dedicated operational accommodation and that staff will be required to make their own arrangements for living accommodation.

## 2.7 Local Context and Sensitivities

The project area is Municipality and State owned. The land has been assigned to Ministry of Energy for leasing by a Presidential Order No. 2366 of 2020 and Cabinet of Ministers Order No. 720 of 2020. The Presidential and cabinet of Ministers Orders instruct the government to lease the state/public lands to the 240.5 MW Wind Projects, which Khizi 3 WF Project is part of.

In terms of the Khizi 3 WF project site, the Ministry of Energy through a Land Lease Agreement (LLA) will grant the Project Company all rights necessary to use, occupy and access, the Project Site for the purposes of the Project. The term of the Land lease shall be 30 years from the date of execution of the Land Lease Agreement and certification by a notary in the Republic of Azerbaijan.

Full details of receptors, local sensitivities, land users and site baseline are described in the Environmental & Social Impact Assessment (ESIA) Report for the Project. A summary of this has been included below for context in this SEP.



## 2.7.1 Land Use and Site Conditions



### SITE CONDITION

The site is remote and in a natural condition with a lack of anthropogenic influences/activities. The key conditions observed during site visit can be summarised as:

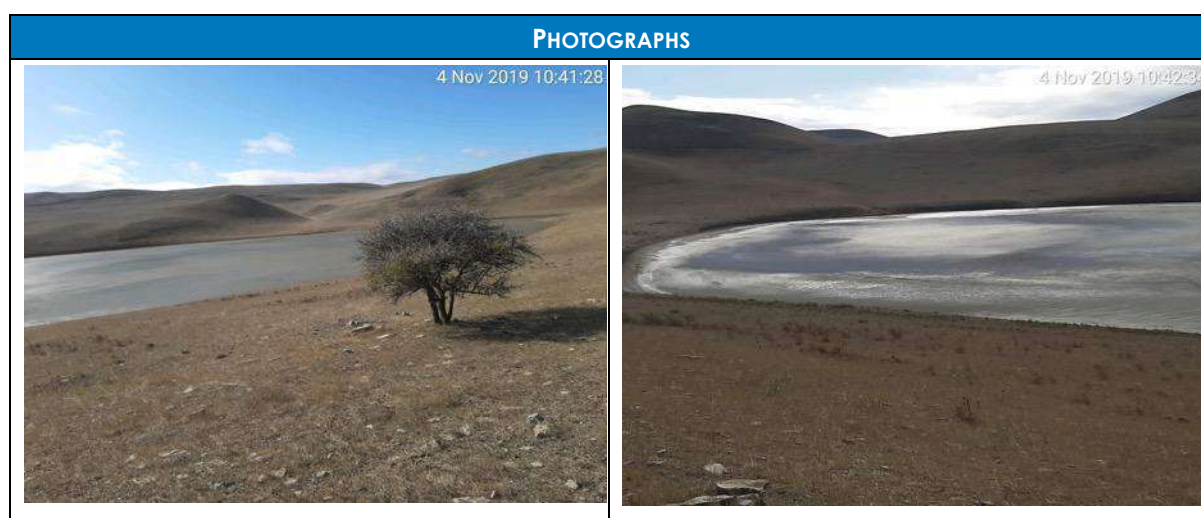
- The project area is open and does not include permanent structures. Most structures are located at the base of the hill slopes on the north side of the area (off-site);
- The landscape includes large undulations with rounded hilltops. The land is elevated from the surroundings to the north and once within the hills, the topography is not as steep (not a plateau), but with softer gradients;
- The surface of the land is primarily covered with grass species. Only a handful of trees were observed on in and around the development area;
- There is little to no physical infrastructure on the land. There are no roads, electrical connections, or other utilities. The farmers on the land in places had constructed make shift water collection points, including ponds to collect rainwater runoff;
- A dried-up lake was found near the wind turbine area.

A compilation of photographs from the Project area are presented below.

### Plate 2-1 Project Site Conditions – Compilation of Photographs

PHOTOGRAPHS	
Steep Gradient Entering the Site (November 2019)	Topography of Site (March 2020) – Hillslopes
	
Plateau Like Land Atop of the Slopes (November 2019)	

PHOTOGRAPHS	
	
Tent and Cultivation Area on Site (November 2019)	Runoff Collection Pond On-Site (November 2019)
	
Typical Grass Vegetation Cover on Site (November 2019)	Few Trees Observed on Site (November 2019)
	
Dried-up Lake	



### LAND USE– PROJECT AREA

Based on the outcome of the interviews, consultations and herders survey undertaken for the Project, the following land users have been confirmed for Khizi 3 WF Project site:

- Four (4) seasonal farmers without valid lease agreement - Surrounding farmers have expired land lease agreement with the municipality but are allowed to graze within the project boundary; and
- Other informal land users such as hunters (undertaken by one of the farmers identified above) and herb collectors who use the project site for hunting and herb collection respectively. Herbs are collected from March to October while hunting is undertaken during grazing season by one of the farmer.

The table below provides a summary of the land users within the Project site.




**Table 2-1 Summary of Land Users within Project Site**

TYPE OF LAND USERS	NATURE OF LAND USE	TYPE OF LAND USE	GENDER	ASSETS	FARM ID
Seasonal Farmers with expired lease agreement	Grazing within project area	Informal	Male	800 sheep, 130 goats and 50 cows	Farm 1
			Male	600 sheep, 50 goats and 55 cows	Farm 3
			Male	700 sheep, 70 goats, 40 cows and 3 donkeys	Farm 4
			Male	800 sheep and 400 goats	Farm 6
Hunters and herb collectors	Herb collection	Informal	Male	Thyme ( <i>Thymus hadzhievii</i> ), spinacia ( <i>Spinacia oleracea</i> ) and Adonis ( <i>Adonis vernalis</i> ), "Dombalan" a local type of	NA
			Male		NA
			Male		NA



TYPE OF LAND USERS	NATURE OF LAND USE	TYPE OF LAND USE	GENDER	ASSETS	FARM ID
			Male	truffle in Khizi are collected from the site.	NA
			Male		NA
			Male		NA
	Hunting		Male	In addition to grazing livestock this farmer also hunts for rabbits and ducks.	Farm 4

## Plate 2-2 Land Use – Compilation of Photographs

SITE PHOTOGRAPHS	
Grazing observed on site (March 2020)	Grazing observed on site (November 2019)
	
Grazing Near Project Area (February 2021)	
	

## RECEPTORS

Two villages and small settlements can be found within 15 km of the Project Site as shown in the land use figure below. The two villages are Sitalchay Village and Shuraabad are located >8km north-east of the Project area. Sitalchay village has a population of 1,234 and includes a military airbase. Additionally, two military blocks are located approximately 8 km north east of the Project area.

There are 11 seasonal farms identified surrounding outside of the Project area (within a 7 km radius). Two (2) farms were abandoned. The farms are used for seasonal farming / grazing during the winter months (October to May). From June until September, livestock are moved to the north of Azerbaijan to summer pastures. In addition, a poultry farm is located approximately 3.5 km south east of WTG K27. Not all farmers use the project site for herding activities. Please refer to Table 2-1 above for land users.

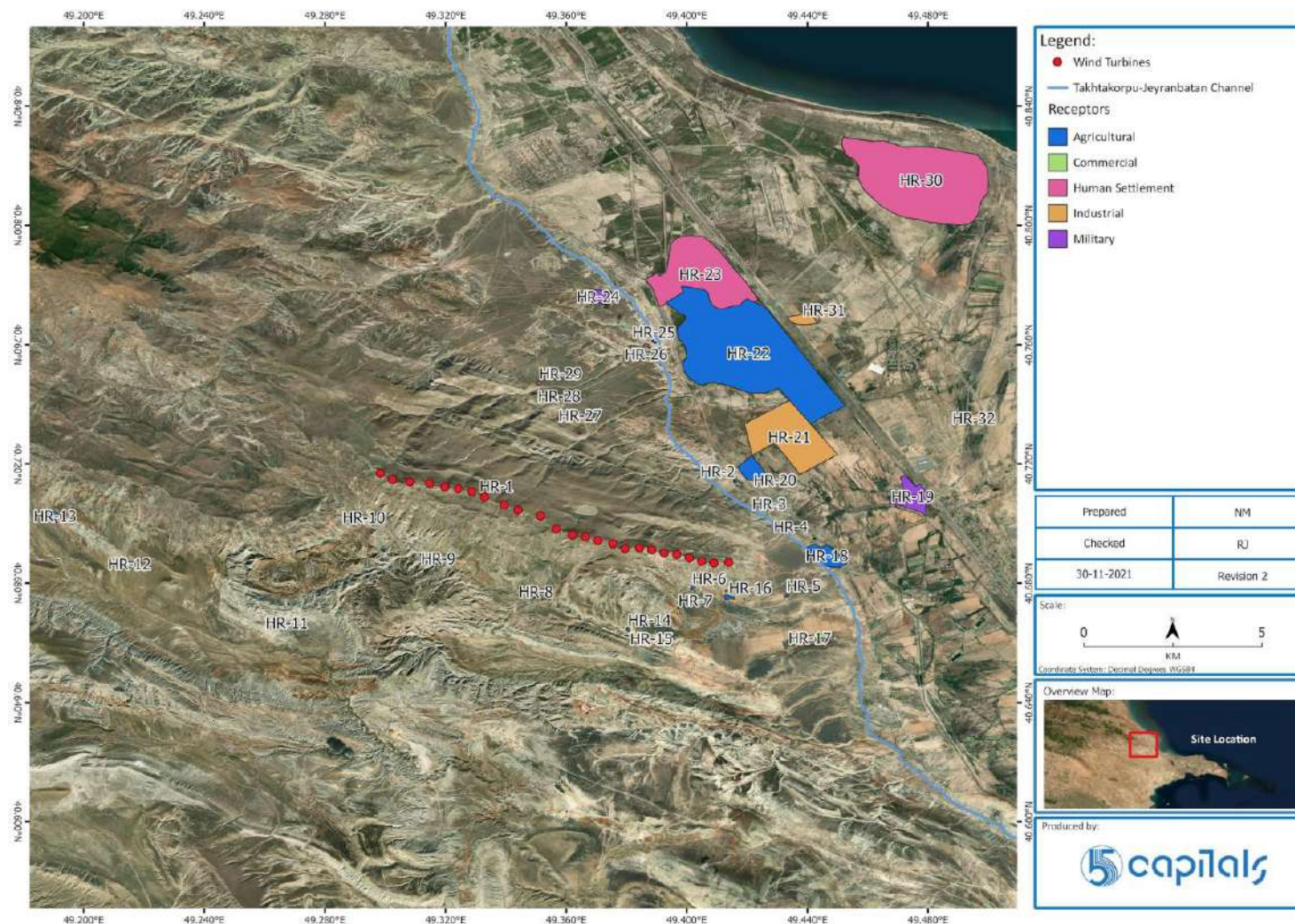
The land uses/ activities identified are presented in the Table and Figure below.

**Table 2-2 Land Use**

ID	NAME	RECEPTOR	DISTANCE	NEAREST WTG
1	HR-1	Tent and Temporary shelter (rarely used)	487	K11
2	HR-2	Seasonal Farm - Agricultural	2961	K27
3	HR-3	Seasonal Farm - Agricultural	2389	K27
4	HR-4	Seasonal Farm - Agricultural	2104	K27
5	HR-5	Seasonal Farm - Agricultural	1991	K27
6	HR-6	Seasonal Farm - Agricultural	950	K25
7	HR-7	Seasonal Farm - Agricultural	1796	K24
8	HR-8	Seasonal Farm - Agricultural	2291	K15
9	HR-9	Seasonal Farm - Agricultural	2604	K8
10	HR-10	Seasonal Farm - Agricultural	1567	K5
11	HR-11	Seasonal Farm - Agricultural	6013	K4
12	HR-12	Seasonal Farm - Agricultural	7699	K4
13	HR-13	Seasonal Farm - Agricultural	9142	K4
14	HR-14	Agricultural Field	2948	K20
15	HR-15	Agricultural Field	3136	K32(O)
16	HR-16	Agricultural Field	1223	K27
17	HR-17	Poultry Farm	3329	K27
18	HR-18	Agricultural Field	2259	K27
19	HR-19	Yasma Military Compound	4995	K27
20	HR-20	Agricultural Field	3124	K27
21	HR-21	Yani Yeshma Wind Farm	3821	K27
22	HR-22	Agricultural Field	5637	K27
23	HR-23	Human Settlement - Sitalcay Town	8483	K22
24	HR-24	Military Compound	7756	K14

ID	NAME	RECEPTOR	DISTANCE	NEAREST WTG
25	HR-25	Agricultural Field	7184	K19
26	HR-26	Small clusters of houses	6931	K14
27	HR-27	Small clusters of houses	3859	K14
28	HR-28	Small clusters of houses	4201	K13
29	HR-29	Small clusters of houses	4377	K11
30	HR-30	Human Settlement - Sharabaad Village	13756	K27
31	HR-31	Industrial - Wind Turbines (2 WTGS)	9077	K27
32	HR-32	Industrial - Wind Turbines (4 WTGS)	8425	K27

Figure 2-3 Land Use/ Receptor Map





## 3 REGULATIONS AND REQUIREMENTS

### 3.1 National Requirements

The regulatory body within the Cabinet of Azerbaijan responsible for the regulation of the activities within the country that relate to ecology, environmental protection and use of natural resources is the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan (MENR).

The legal, economic and social framework for environmental protection in Azerbaijan is governed by the Environmental Protection Law of 1999 (No. 678-IQ) and its amending Laws (Law No. 1032-IVQD, 932-IVQD, 590-VQD and 553-IVQD).

The rights of people are guaranteed by the Constitution of Azerbaijan under Chapter III 'Basic Rights and Liberties of a Person and Citizen' which lists the main principles of these rights. The constitution states that "The state guarantees equality of rights and liberties of everyone, irrespective of race, nationality, religion, language, sex, origin, financial position, occupation, political convictions, membership in political parties, trade unions and other public organizations. Rights and liberties of a person, citizen cannot be restricted due to race, nationality, religion, language, sex, origin, conviction, political and social belonging."

Based on the revised Law on EIA (2018), public consultations in the form of hearings should be carried out during the development of EIA study in line with Law of the Republic of Azerbaijan "On Public Participation". The participants should include 'individuals living in the area of intended activity and legal entities operating in that area, as well as with the real estate owner'. The final document of public hearings conducted pursuant to article 4.10 of this Law shall be reviewed in accordance with the Law of the Republic of Azerbaijan on Citizens' Appeals'.

According to Azerbaijan's Law on Public Participation, forms of public participation can be carried out as follows:

- Public council;
- Public discussion;
- Public hearing;
- Studying public opinion;
- Public discussion of draft legal acts;
- Written consultation.
- Information Disclosure

## 3.2 Lenders Requirements

### 3.2.1 EBRD

All projects financed by EBRD shall be structured to meet the requirements of the EBRD Environmental and Social Policy (2019) which includes ten Performance Requirements (PRs) for key areas of environmental and social sustainability that projects are required to meet, including PR10 Information Disclosure and Stakeholder Engagement. In addition, EBRD's Independent Project Accountability Mechanism (IPAM), as an independent last resort tool, aims to facilitate the resolution of social, environmental and public disclosure issues raised by Project-affected people and civil society organisations about EBRD financed projects among Project stakeholders or to determine whether the Bank has complied with its ESP and the Project-specific provisions of its Access to Information Policy; and where applicable to address any existing non-compliance with these policies, while preventing future non-compliance by the Bank.

The EBRD's ESP defines stakeholder engagement as an on-going process which involves the following elements: (i) stakeholder identification and analysis; (ii) stakeholder engagement planning; (iii) disclosure of information; (iv) meaningful consultation and participation leading to the client's incorporating into its decision-making process the views of the affected parties on matters that affect them; (v) an effective grievance procedure or mechanism, and (vi) ongoing reporting to relevant stakeholders. The process of stakeholder engagement should begin at the earliest stage of project planning and continue throughout the project life.

An essential element in the stakeholder engagement process, to ensure meaningful and effective consultation process, is the careful identification of all involved stakeholders and the examination of their concerns, expectations, and preferences. Special attention should be paid to the identification of vulnerable stakeholders. The engagement with these stakeholder groups needs to be planned and managed with special care.

Furthermore, the EBRD requires that the project developer establish and maintain an effective grievance mechanism, ensuring that any stakeholder complaints are received, handled, and resolved effectively, in a prompt and timely manner.

This SEP has been developed in line with these requirements and in consideration of the categorisation of the Project as Category A under the ESP (2019), requiring a formalised and participatory ESIA process.

EBRD PR10 "recognises the importance of an open and transparent engagement between the client, its workers, local communities directly affected by the project and where appropriate, other stakeholders as an essential element of Good International Practice (GIP) and corporate citizenship. Such engagement will involve the following key elements:

- Stakeholder Identification and analysis;

- Stakeholder engagement planning;
- Disclosure of information;
- Consultation and Participation
- Grievance Mechanism and
- Ongoing reporting to relevant stakeholders.

With reference to vulnerable groups, PR10 states “The client will identify those project-affected parties (individuals or groups) who, because of their particular circumstances, may be disadvantaged or vulnerable”. In addition, the client is required to “support active and inclusive engagement with project affected parties including disadvantaged or vulnerable groups”.

### **EBRD PR10 BRIEFING NOTE (COVID-19)**

The guidance note provides considerations for continuing effective information disclosure and stakeholder engagement during the COVID-19 pandemic. The note provides possible alternative approaches through email campaigns, Project leaflets, text-based messaging, traditional media, signage etc.

The following processes, systems and tools are recommended:

- Stakeholder database: Ensuring its updated and key contact information is provided. The development of the database must respect people’s privacy and be consistent with regulations such as General Data Protection Regulations;
- Messaging: When using different engagement platforms, the information provided should be clear, concise and consistent and provided in relevant local languages;
- Documentation: Keep track of interactions through documentation of engagement activities, commitments and complaints; and
- Resources: Ensure appropriate resources are in place to track and respond to queries, concerns and disputes or grievances that may be raised.

Note: EBRD notes that the briefing note is not a compliance document and should be taken as a source of information and analysis

### **3.2.2 ADB**

The ADB have established an Operational Manual and Policy Statement that includes the need for an amount of consultation, participation and stakeholder engagement. Both documents set out the applicable requirements the banks investment projects should fulfil in the potential receipt of finance.

### **STAKEHOLDER ENGAGEMENT**

ADB Operational Manual on “Project Design and Preparation: Item C- Consultation and Participation” requires meaningful consultation to be carried out with affected people and the consultation processes to be appropriately documented in the EIA, IEE, resettlement plan and/or IPP as applicable to the project.

The Operational Manual requires that vulnerable groups have sufficient opportunities to participate in consultations.

ADB Safeguard Requirement 1 on Environment: Consultation and Participation states that the client will undertake “meaningful consultation with affected people and other concerned stakeholders, including civil society, and facilitate their informed participation. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle;<sup>1</sup> (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues”.

ADB Safeguard Requirement 2 on Involuntary Resettlement: Consultation and Participation also requires meaningful consultation to be undertaken by the client as stated above for ADB Safeguard Requirement 1 but includes consultation with host communities and the need for the client to pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, Indigenous Peoples, and those without legal title to land.

ADB Safeguard Requirement 3 on Indigenous Peoples: Consultation and Participation requires “the borrower/client will undertake meaningful consultation with affected Indigenous Peoples to ensure their informed participation in (i) designing, implementing, and monitoring measures to avoid adverse impacts on them or, when avoidance is not possible, to minimize, mitigate, and compensate for such effects; and (ii) tailoring project benefits that accrue to them in a culturally appropriate manner”.

According to the 2009 ADB Safeguard Policy Statement, ADB requires “borrowers/clients to engage with communities, groups, or people affected by proposed projects, and with civil society through information disclosure, consultation, and informed participation in a manner commensurate with the risks to and impacts on affected communities”

#### Grievance Redress Mechanism

According to the ADB Safeguard Policy Statement (2009), the bank “requires that the borrower/client establish and maintain a grievance redress mechanism to receive and facilitate resolution of affected peoples’ concerns and grievances about the

borrower's/client's social and environmental performance at project level. The grievance redress mechanism should be scaled to the risks and impacts of the project. It should address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people".

ADB Safeguard Requirement 2 and Requirement 3 specifically requires the grievance mechanism to receive and facilitate the resolution of:

- Affected persons' concerns and grievances about physical and economic displacement and other project impacts, paying particular attention to the impacts on vulnerable groups (ADB Safeguard Requirement 2 on Involuntary Resettlement); and
- Resolution of the affected Indigenous Peoples communities' concerns, complaints, and grievances (ADB Safeguard Requirement 3 on Indigenous Peoples).

### 3.2.3 OFID

OFID do not publicly disclose specific environmental & social policy, or other standard (or guideline) requirements.

#### **EQUATOR PRINCIPLES IV**

In the event of financing from an Equator Principles Financial Institution (EPFI), Equator Principles IV establishes key requirements for stakeholder engagement through the following principles:

- Principle 5: Stakeholder Engagement
  - For all Category A and Category B Projects the EPFI will require the client to demonstrate effective Stakeholder Engagement, as an ongoing process in a structured and culturally appropriate manner, with Affected Communities, Workers and, where relevant, Other Stakeholders.
  - For Projects with potentially significant adverse impacts on Affected Communities, the client will conduct an Informed Consultation and Participation process. The client will tailor its consultation process to: the risks and impacts of the Project; the Project's phase of development; the language preferences of the Affected Communities; their decision-making processes; and the needs of disadvantaged and vulnerable groups. This process should be free from external manipulation, interference, coercion and intimidation.
  - There are also other requirements for facilitating engagement and engagement with indigenous peoples.
- Principle 6: Grievance Mechanism
  - For all Category A and, as appropriate, Category B Projects, the EPFI will require the client, as part of the ESMS, to establish effective grievance mechanisms which are designed for use by Affected Communities and Workers, as

appropriate, to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance.

- Grievance mechanisms are required to be scaled to the risks and impacts of the Project, and will seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate, readily accessible, at no cost, and without retribution to the party that originated the issue or concern. Grievance mechanisms should not impede access to judicial or administrative remedies. The client will inform Affected Communities and Workers about the grievance mechanisms in the course of the Stakeholder Engagement process.

#### Equator Principles Guidance on Implementation of the Equator Principles during the COVID-19 Pandemic

The guidance recommends that the borrower should communicate information to local communities on the Project's response to Covid-19 including control of work-force community interactions, any necessary changes to procedures, the Project approach to controlling COVID-19 risks in the workforce and any aspects of support being offered by the Project to the local community. This should include the review of appropriate stakeholders and include a focus on any identified vulnerable groups. The guidance recommends the following alternative engagement processes:

- Consideration of opportunities for engagement through local actors such as women, youth, leaders, local authorities, traditional leaders etc.; and
- Implementation of additional training for Community Liaison Officers to ensure they can effectively deliver key messages, particularly to the most vulnerable and where Project impacts will be significant.

The engagement should be mindful of managing social stigma of COVID-19 and consider alternative methods that ensure anonymity.

#### 3.2.4 EPFIS – IFC Performance Standards

All of the IFC Performance Standards include requirements for an amount of stakeholder consultation/engagement (either in the EIA, or as part of the future ESMS) and therefore the project will require a level of engagement. In particular, IFC Performance Standard 1 on "Social and Environmental Assessment and Management Systems" describes the stakeholder engagement requirements in more depth. It states the following:

"Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts. Stakeholder engagement is an on-going process that may involve, in varying degrees, the following elements:

- Stakeholder analysis and planning;
- Disclosure and dissemination of information;

- Consultation and participation;
- Grievance mechanism; and
- On-going reporting to Affected Communities.

The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development."

The IFC Performance Standards indicate that when Affected Communities are subject to identified risks and adverse impacts from a project, the developer/client will undertake a process of consultation in a manner that provides the Affected Communities with opportunities to express their views on project risks, impacts and mitigation measures, and allows the client to consider and respond to them. Effective consultation is a two-way process that will:

- Begin early in the process of identification of environmental and social risks and impacts and continue on an on-going basis as risks and impacts arise;
- Be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language(s) and format and is understandable to Affected Communities;
- Focus inclusive engagement on those directly affected as opposed to those not directly affected;
- Be free of external manipulation, interference, coercion, or intimidation;
- Enable meaningful participation, where applicable; and
- Be documented.



## 4 STAKEHOLDER IDENTIFICATION AND ANALYSIS

### 4.1 Approach to Stakeholder Identification

A systematic approach to identify affected stakeholders has been used. The stakeholders identified have been classified into two (2) categories:

- Impacted Stakeholders (A) – those who can be potentially affected by one or more of the potential impacts of the project;
- The Impacted stakeholders are individuals or group of people that can be potentially affected by the Projects' environmental and social impacts either directly or indirectly. Potential environmental and social impacts of the Project to receptors (i.e. those outlined in Sub-section 2.5) have been assessed in the ESIA. Such impacts can directly or indirectly impact project stakeholders.
- Interest-based Stakeholders (I) – Stakeholders concerned with any of the procedures set by the Project, the Project's beneficiaries, national and international non-governmental organizations and the interested part of the civil society.
- Interest-based stakeholders are groups or organisations that are not adversely affected by the Project but whose interests determine them as stakeholders. In addition, there are stakeholders outside the affected area, which can be identified through "interest-based" analysis. These are usually government authorities, NGOs and national, social and environmental public-sector agencies whose area of interest is related to the Project, or where such organisations are undertaking projects with communities in these areas.
- Decision Making Stakeholders (D) – those who are involved in the development of the project and its financing. In addition, this includes the regulators such as MENR.

#### 4.1.1 Identified Stakeholders

The following table presents the identified stakeholders as per the classifications (above). It is highlighted that there are no residents living on the site, or other known formal land-use agreements.

**Table 4-1 Stakeholder Engagement Matrix for the Project Site**

STAKEHOLDER GROUP	STAKEHOLDER	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST-BASED (I), OR DECISION MAKER (D)
Land users	Seasonal farmers from surrounding farms	A: There are certain groups of seasonal herders who use the project area without any formal agreements with the State or the Municipality (the land owners). These herders use the project area and surrounding areas for seasonal grazing typically between October and May.

STAKEHOLDER GROUP	STAKEHOLDER	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST-BASED (I), OR DECISION MAKER (D)
		Adverse effects from construction activity, preventing access to certain areas and experience direct and indirect impacts
	Other informal land users such as hunters and herb collectors who might use project area for other uses such as hunters and herb collectors.	A: There are certain groups of users who use the project area without any formal agreements with the State or the Municipality (the land owners).
Directly Affected Communities	Local residential community of Sitalchay Village	A: The closest communities to the turbines and project footprint. This includes potential exposure to indirect impacts relating to visual impacts, increased traffic (safety concerns).
Vulnerable groups	Vulnerable groups in the Project area include unemployed youth, low-income families and women, female led households & persons living with disabilities, IDPs, women and elderly members of the community	A: These groups may be disproportionately impacted by the Project impacts such as those relating to mobility, availability, Gender Based Violence & Harassment (GBVH), spread of diseases, labour/economic exploitation etc.
Local governmental authorities	Sitalchay Municipality	D: Project area lies within the jurisdiction of the municipality
Governmental Bodies	Local representative of The Executive power of Khizi region	D: Part of the Regulatory body overseeing land ownership and land use
	Ministry of Energy	D: Responsible for development of the project
	Ministry of Culture and Tourism	D: Regulatory body overseeing cultural and archaeological sites/features issues.
	Azerbaijan Academy of Sciences, Institute of Archaeology and Ethnography (AAS IAE)	D: According to national requirements, Ministry of Culture requires Academy approval/advice before granting permits for the excavation of archaeological and heritage sites
	Ministry of Ecology and Natural Resources	D: Regulatory body overseeing protected areas, ecologically sensitive and environmental issues.
	Ministry of Transport, Communications and High Technologies of the Republic of Azerbaijan	D: Regulatory body overseeing transport in Azerbaijan
Industrial facilities	Poultry Farm	I: the closest industrial facility to the Project site
	Yeni Yeshma Wind Farm (Azerishiq – Operator)	I: Existing wind Farm
State Organisation	Azerenergi	D: Off-taker and responsible for development of OHTL required for the Project
	The Ministry of Transportation, Communications and High	D: There's an existing Telecommunication tower to south east of project area

STAKEHOLDER GROUP	STAKEHOLDER	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST-BASED (I), OR DECISION MAKER (D)
	Technologies of the Republic of Azerbaijan, Aztelekom LLC	
	National Television and Radio Council	D: Request information on telecommunications systems within project area and request feedback on any specific requirements
	Mine Action Agency	D: Safety zones to be maintains and clearance of project area from UXO
	The Ministry of Transportation, Communications and High Technologies of the Republic of Azerbaijan, State Civil Aviation Agency	D: Request feedback and clearance for project areas.
	Deputy Minister of Defence-Commander of the Air Force	D: Request feedback and clearance for project areas.
	Azerbaijan Amelioration and Water Farm Open Joint Stock Company	D: Water Authority in Absheron Region
	AZERSU" Open Joint Stock Company	D: Water and Wastewater Distribution Authority
	Khizy Water Canal Office	D: Water Canal Authority in Khizi Region
	Khizy District Executive Power	D: Waste Authority in Khizi Region
Financial institutions	EBRD/JICA/OPIC (And possibly others)	D: Providing finance for the Project
NGOs	NGOs Public Council at MENR	I: Will be interested in the execution of the Project and its environmental impacts and mitigation measures.
	Environmental Groups (Please refer to Appendix C for list of NGOs engaged during public disclosure)	I: Potentially interested in project impacts to the environment.
International Organisations	IUCN Specialist Group and Experts	I: IUCN has a data base of the project region relating to the species and their conservation importance.
	Bird Life International	I: Potentially interested in project impacts related to avifauna.
Researchers and Experts	Rob Sheldon: Ornithologist	I: Experts have knowledge of the project site region and have been involved in past bird surveys and research.
Media	Regional and local mass media (not specifically defined)	I: Will potentially be involved in reporting on and disseminating information about the Project.
<b>Workers and workers organisations</b>	Project workers and employees	<b>I:</b> Grievances from construction, commissioning as well as operation and maintenance personnel

#### 4.1.2 Stakeholder Engagement as part of the LRP

The below provides a list of stakeholders that are being engaged as part of the LRP.

**Table 4-2 Stakeholder Engagement during LRP**

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST-BASED (I), OR DECISION MAKER (D)
<b>Land Users</b>	Farmers using the site	<b>A:</b> Direct impact due to loss of grazing land (economic displacement) and land use restriction.
	Herb Collectors	
<b>Workers</b>	Permanent and Temporary workers employed by farmers	<b>A:</b> Herding activities will potentially be disrupted during construction phase of the project
<b>Local governmental authorities</b>	Sitalchay Municipality	<b>D:</b> The Project is located within the jurisdiction of the municipality and the state
<b>Government Body</b>	Local representative of the Executive power of Khizi region	<b>D:</b> Part of the Regulatory body overseeing land ownership and land use
<b>State Land Agency</b>	Khizi Region State Land Agency	<b>D:</b> Research on land ownership and users
<b>Financial institutions</b>	EBRD/ADB/ OFID	<b>D:</b> Providing finance for the Project

## 5 STAKEHOLDER ENGAGEMENT/ CONSULTATIONS UNDERTAKEN

Section 17 – Stakeholder Engagement and Consultation in the ESIA details the engagements and consultations undertaken as part of the ESIA process. A summary is presented below.

### 5.1 Measures Undertaken Prior to Consultations

The following measures were taken into account during public engagement and disclosure process:

- COVID 19 social restrictions and distancing requirements;
- Confidentiality of information and consent to take part in the consultations;
- At the start of the meetings members of the community were encouraged to express their opinions without fear of retaliation. It should be noted that there were no tensions between the local community and the different stakeholders engaged during the ESIA process. This was not noticed or raised in any of the consultations undertaken with the local community including the public disclosure meetings held in January 2022;
- Participants were informed of purpose of consultation and on how such information will be used and were given the option of not having their names disclosed; and
- Stakeholders were informed of the PIC at the village and the grievance mechanism established for the project to report any complaints, grievances and any misconducts during the ESIA and consultation process.

### 5.2 Consultations during Scoping and ESIA

Stakeholder identification for the Project commenced during the scoping stage of the Project. Stakeholder and public consultations were conducted during the scoping stage as a part of the national EIA and as part of the ESIA. The methods used for the on-going stakeholder engagement process include letter correspondence with national, regional, local authorities, face-to-face meetings, virtual meetings, emails and telephone calls.

#### 5.2.1 Consultation during Scoping Stage

Engagement during scoping was carried out with the following:

- Local community of Sitalchay Village;
- Ministry of Environment and Natural Resources (Environmental Regulator in Azerbaijan);
- Ministry of Energy (MOE);

- Members of public council of NGOs established under MENR; and
- Municipality of Sitalchay.

A summary of the engagement/ consultations undertaken for the above stakeholders are provided below.

- Local community:
  - Scoping meetings with local community: Public consultation meeting held on 25 June 2020 with members of the community of Sitalchay village; a total of 10 participants attended (maximum number of people allowed due to COVID restrictions); and
  - Letters introducing the Project including contact details of the local consultant to receive any feedback and questions from the local community were distributed in May 2020 among Sitalchay Village (houses and supermarkets) and the announcement office of the Municipality as part of the Consultation during the Scoping phase.
- Municipality of Sitalchay: A consultation meeting was carried out on 12 May 2020 with the Chairman of the municipal council of Sitalchay village and local consultant. Purpose of the meeting was to introduce the project and the ESIA baseline surveys for wind farm project, collection of socioeconomic data for the village and activities to be undertaken by consultant during the course of the ESIA study.
- MENR: MENR, the environmental regulator in Azerbaijan, does not require a Scoping Report and scoping can be carried out in the form of a meeting instead. Therefore, a virtual meeting was held with the State Environmental Expertise Department of the MENR on 8 September 2021 to introduce the project and ESIA study scope.
- MOE: A virtual meeting was held on 29 July 2021 with MOE to discuss the ESIA study. In total nine (9) participants attended the meeting. A power point presentation was used to present the project, location, purpose, requirements and explain the activities undertaken as part of the ESIA.
- Members of Public Council of NGOs: A meeting was held on 16 May 2020 with the members of the Public Council of NGOs established under the MENR to introduce project and ESIA Study. The meeting was attended by the Chairman of the Public Council, the head of the Azerbaijan Scouts Association, the head of the National Environmental Forecasting, a member of Ireli Public Union and members of the Public Council. The project and scope of the ESIA study were presented to the participants.

## 5.2.2 Consultation During ESIA Study

- Focus Discussion Group (FDG) Meetings from members of Sitalchay village;
- Consultation with herders using project area for seasonal grazing;
- Surrounding farms/ herders: Interviews/ consultations were held in February and March 2021 with the nearby farmers/herders who occasionally use the project area for grazing;
- Informal interviews held with nomadic herders during site survey work in October 2020 and November 2021; and

- Herder Survey undertaken in November 2021 during the grazing season and return of seasonal herders.
- Consultations with Potentially Affected Persons (PAPs). Consultations with the farmers and PAPs were undertaken in the context of Livelihood Restoration Plan (LRP):
- Consultations and socio-economic surveys were undertaken on 12 and 16 March 2022 consultation was with municipality and PAPs.
- Meeting with MENR (Environmental Regulator): Also, a meeting was held with MENR on 12 January 2022 with the following:
  - Deputy Chairman of the board, State Agency for Environmental Expertise;
  - Head of Department of projects environmental expertise; and
  - Chief Specialist, Department of projects environmental expertise.
- 5 Capitals ESIA team and local consultant attended the meeting, The purpose of the meeting was to discuss the ESIA results, ESIA submission and timeframe and answer any questions raised by the Ministry.



**Note:** The purpose and outcome of the consultations are provided in Chapter 17 of the ESIA Report.

**Table 5-1 Public Consultation Process**

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
Directly Affected Communities (wind turbines, substations, access roads, etc.)	Local residential community of Sitalchay Village including vulnerable groups: women, the elderly, youth, people living with disabilities, poor households, illiterate members of the community	A: The closest community to the turbines and project footprint.	<p>Issues regarding the environmental and social impact from Project and any issues/concerns local residents might have with project</p> <p>One-page letter distributed to the local community.</p> <p>PIC which provides information on the Project to the members of the community and receive grievances</p> <p>Meeting with maximum of 10 people was held in line with COVID restrictions and national requirements during the time of consultation.</p>	<p>Letter sent out in May 2020</p> <p>Public meeting (group of 10) held on 25 June 2020.</p> <p>In addition, project information was provided during the socio-economic herder's surveys. Socio-economic survey undertaken between 17<sup>th</sup> July and 5<sup>th</sup> August 2020 in Sitalchay Village targeting 65 households.</p> <p>Focus Group Discussions (FGD) undertaken with women and elderly from Sitalchay Village on 24 September 2021 and with refugees on 24 January 2022.</p>
Land users	Seasonal farmers	A: Adverse effects from construction activity	Issues regarding the seasonal grazing (formal informal) and other land use	Informal interview was carried out in October 2020 with a herder observed on site (nomadic).

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
				Phone interviews were held by the PIC representative with 4 surrounding farmers on 23 November 2021.
	Farmer/ Herder with LLA			Formal meetings/interviews held in February/ March 2021
	Hunters and herb collectors			Herders Survey undertaken in November 2021 when herders are back to seasonal farms.  Consultation undertaken on 12 and 16 March 2022 with PAPs as part of the LRP consultations.
Local governmental authorities		D: Project area lies within the jurisdiction of the municipality	Consultations regarding land use and overall process of the development of the Project	Formal meetings/interviews held in February/ March 2021 and additional meeting undertaken on 17 August 2021.
				Informal consultation with the Municipality
	Sitalchay Municipality			Meetings held 12 May 2020 and 4 February 2021.  A face-to-face meeting held on 12 March 2022 as part of the LRP consultations to discuss: - Clarifications regarding proposed alternative land, i.e., status of these land, availability of water sources etc;

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
				<ul style="list-style-type: none"> <li>- Current status of land lease agreements of potentially affected farmers;</li> <li>- Clarification regarding the access to alternative land by local people</li> </ul>
Governmental Bodies	Local representative of The Executive power of Khizi region	D: Part of the Regulatory body overseeing land ownership and land use	Consultations regarding land use	Letter sent 29 June 2021
	Ministry of Energy	D: Responsible for development of the project	Issues regarding overall process of Project development	Virtual meeting held on 29 <sup>th</sup> July 2020
	Ministry of Culture and Tourism	D: Regulatory body overseeing cultural and archaeological sites/features issues.	Issues regarding cultural and archaeological sites/features within project area and specific requirements for buffer zones/distances around these areas during the construction of the Projects.	Email sent 4 <sup>th</sup> May 2021
	Azerbaijan Academy of Sciences, Institute of Archaeology and Ethnography (AAS IAE)	D: According to national requirements, Ministry of Culture requires Academy approval/advice before granting permits for the excavation of	Issues regarding cultural and archaeological sites/features within project area and setting buffer zones	Academy carried out the archaeological surveys as mandated by Law of the Republic of Azerbaijan on Historical and Cultural Monuments. Therefore, consultations and discussions were a continuous process throughout the ESIA process.

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
		archaeological and heritage sites		Official meeting held on 12 <sup>th</sup> November 2020  Additional consultation: Official Letter also sent on 1 <sup>st</sup> July 2021
	Ministry of Ecology and Natural Resources	D: Regulatory body overseeing protected areas, ecologically sensitive and environmental issues.	Issues regarding overall process of the development and approval of the Project	Virtual Meeting held on 8 September 2020  Face to face meeting held 12 January 2022 to discuss ESIA results and ESIA submission and timeline.
	Ministry of Transport, Communications and High Technologies of the Republic of Azerbaijan	D: Regulatory body overseeing transport in Azerbaijan	Issues regarding the delivery of equipment and machinery (if necessary)	Letter sent 29 June 2021
Industrial facilities	Poultry Farm	I: the closest industrial facility to the Project site	Issues regarding impacts from the Project and regarding observations made that vultures and eagles travel to the poultry farm near most likely searching for poultry waste  Note: Poultry farm manager refused to set any official meeting for consultation and discussion	Informal meeting on 21 August 2021

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
	Yeni Yeshma Wind Farm (Azerishiq – Operator)	I: Existing wind Farm	Operator of Yeni Yashma Wind Farm	5 Capitals Request for Data Letter sent 29 May 2021 and emailed 31 May 2021
State Organisations	Azerenergi	D: Off-taker and responsible for development of OHTL required for the Project	OHTL design information required for the ESIA and Project and requesting for data relating to Yeni Yashma Wind Farm	E-mail sent 21 September 2021 Sent by post on 22 September 2021
	Azerenerji Joint Stock Company		Request feedback that may be relevant to the project and to raise awareness of any issues that should be addressed in the planning and development or in the ESIA such as setback requirements for Wind Turbines from existing OHTL and other electrical infrastructure within project area.	E-mail and letter sent 21 September 2021
	The Ministry of Transportation, Communications and High Technologies of the Republic of Azerbaijan, Aztelekom LLC	D: There's an existing Telecommunication tower to south east of project area	Request feedback that may be relevant to the project and to raise awareness of any issues that should be addressed in the planning and development or in the	E-mail 21 September 2021 Sent by post 22 September 2021

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
	National Television and Radio Council	D: Request information on telecommunications systems within project area and request feedback on any specific requirements	ESIA. Also, to check if any telecommunication towers and infrastructure located within project area.	Sent by e-mail 21 September 2021 Sent by post 22 September 2021
	Mine Action Agency	D: Safety zones to be maintains and clearance of project area from UXO	Request feedback that may be relevant to the project and to raise awareness of any issues that should be addressed in the planning and development or in the ESIA, including requirements relating to the following:	Letter sent 10 November 2021
	The Ministry of Transportation, Communications and High Technologies of the Republic of Azerbaijan, State Civil Aviation Agency	D: Request feedback and clearance for project areas.	<ul style="list-style-type: none"> <li>- Are there any setback requirements for Wind Turbines from aviation infrastructure within project areas such as radars, helipads, etc.;</li> <li>- Are there any safety zones to be maintained during construction and operation of the Projects;</li> <li>- Have the proposed project areas been used for live munitions training such as mortar or light artillery with possible presence of UXOs;</li> </ul>	Letter sent 20 October 2021



STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
	Deputy Minister of Defence- Commander of the Air Force	D: Request feedback and clearance for project areas.  There's a military area with helipads within close proximity to project areas.		Letter sent 4 October 2021
	Azerbaijan Amelioration and Water Farm Open Joint Stock Company	D: Water Authority in Absheron Region	Request feedback relevant to the project including requirements relating to the following: - Water sources managed by (insert name of Authority) in Absheron and Khizi Regions. - Sources of water that can be used by the Projects during construction, commissioning and operational phases (Absheron and Khizi area). Can water be used from water channel? - Any other requirements to be considered during all phases of the project.	Email sent on 25 October 2021
	AZERSU" Open Joint Stock Company	D: Water and Wastewater Distribution Authority		Letter and email issued 21 September 2021
	Khizy Water Canal Office	D: Water Canal Authority in Khizi Region		

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
	Khizy District Executive Power	D: Waste Authority in Khizi Region	Request feedback that may be relevant to the project and data that will be relevant to the Project, including the following: - Licensed hazardous and non-hazardous waste processing and disposal facilities in Khizi and Absheron. If not, nearest available facilities that can be used by the project. - List of approved waste transporters (hazardous and non-hazardous) and management companies including waste processing and recycling companies. - Any other requirements	Letter and email issued 21 September 2021
	Azersu Open Joint Stock Company	D: Wastewater Authority	Request feedback that may be relevant to the project and data that will be relevant to the Project, including the following:  - Licensed wastewater treatment facilities in Khizi and Absheron. If not, nearest available facilities	Letter issued by email and post on 25 October 2021 and response received on 15 March 2022.

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
			that can be used by the project. - List of approved transporter companies (hazardous and sanitary/domestic wastewater) - Any other requirements to be considered during all phases of the project	
Media	List Regional and local mass media	D: Will potentially be involved in disseminating information about the Project.	Issues regarding the media cover of planned Project (if necessary, at the scoping stage)	No specific consultation required. Public Disclosure meeting announced in Media on 30 December 2021 in Respublika Newspaper.
Financial institutions	EBRD/ADB/ AIIB (And possibly others)	D: Providing finance for the Project	On-going dialogue to ensure scope of ESIA is in line with Lender's requirements	Meeting held as follows: Meeting with EBRD held on 10 <sup>th</sup> December 2020 to discuss Birds and Bats Surveys Meeting with AIIB held on 5 <sup>th</sup> March 2021 to discuss Scoping Report Meeting with ADB on 8 July 2021 to discuss OHTL and WF Scope of Work Meeting held with EBRD on 11 November 2021 to discuss status of EISA.
NGOs	NGOs Public Council at MENR including Azerbaijan Scouts Association, the National Environmental	I: Will be interested in the execution of the Project and its environmental impacts and mitigation measures.	Scoping stage: Introduce project and obtain feedback on the development of the project	Meeting held on 16 May 2020.

STAKEHOLDER GROUP	STAKEHOLDER BODIES	RELEVANCE TO PROJECT: IMPACT-BASED (A), INTEREST- BASED (I), OR DECISION MAKER (D)	AGENDA FOR CONSULTATIONS AND METHODS	CONSULTATION DATE
	Forecasting and Ireli Public Union			
	List of NGOs provided in Appendix C	I: Will be interested in the execution of the Project and its environmental impacts and mitigation measures.	Inform on anticipated impacts from development of the project	Part of the public disclosure meetings held on 8 and 10 January 2022.
Researchers and Experts	Rob Sheldon: Ornithologist	I: Experts have knowledge of the project site region and have been involved in past bird surveys and research.	Request for available bird data for the project area/region.	Emails sent 3 and 7 June 2021

### 5.3 Public Information Centre (PIC)

A PIC for the Project was established by ACWA Power in Sitalchay Village close to the Project site on 15th June 2021. The intention of the PIC is to provide information about the Project to the members of the community, receive grievances and facilitate local recruitment for the Project. According to ACWA Power, the majority of workforce during construction is planned to be recruited from the members of the local community. The main functions of the PIC can be summarised as follows:

- Inform local community of the project status and any new developments;
- Disseminate project related announcements by placing posters within the community;
- Receive and process public grievances;
  - Register grievances and send it to project management;
  - Track the grievances until it is closed; and
  - Keep the log of grievances.
- Facilitate the local recruitment for the project;
  - Place Job Announcements;
  - Organise job interviews by engaging project company/contractors' representatives; and
  - Document and keep record of interview results.
- Organise public meetings by engaging local authorities and project management;
- Generate project proposals from communities for financing by the Project Developer; and
- Document and keep the records of all communication with community.

**Plate 5-1 Public Information Centre at Sitalchay Village**



## 5.4 Public Disclosure Meeting

Two (2) public disclosure events were carried for the Project and included the following meetings:

- Two (2) public disclosure meetings were undertaken on 8<sup>th</sup> and 10<sup>th</sup> January 2022 at Sitalchay Village (local community). The objective of the meetings were to present the outcomes of the ESIA process and to present the key impacts, mitigation and management measures, including key elements of the SEP such as the PIC and the grievance mechanism and how it can be accessed. The meetings were attended by a total of 88 participants for Khizi 3 WF Project. This was in line with national requirements and prior to submission ESIA to national Environmental Regulator; and
- As requested by EBRD, additional public disclosure meetings were held with the relevant stakeholders and local communities to disclose the updates to the ESIA and E&S Package since it was published on EBRD and ACWA Power websites on 20<sup>th</sup> May 2022. Five (5) additional meetings were carried out from 30<sup>th</sup> June to 2<sup>nd</sup> of July 2022 for the Khizi 3 and Area 1 WFs and included NGOs/ CSOs, State Agencies, local communities, PAPs (Wind Farm and OHTL) and other stakeholders.

The full details of the disclosure meetings and materials are provided in the Public Disclosure Report prepared for the Project.

### 5.4.1 First Public Disclosure - January 2022 (National Requirement)

Based on national requirements (revised Law on EIA (2018)), public consultations in the form of hearings should be carried out during the development of EIA study in line with Law of the Republic of Azerbaijan "On Public Participation" and prior to the submission of the ESIA for approval by the national regulator (Ministry of Ecology and Natural Resources (MENR). Therefore, two (2) public disclosure meetings were undertaken on 8 and 10 January 2022 at Sitalchay village. The objectives of the meetings were to:

- Publicly disclose the results of detailed ESIA undertaken for the Khizi 3 Wind Farm Project over the past 2 years;
- Give an opportunity for national and local government to comment on the ESIA findings;
- Give an opportunity for affected Stakeholders and interested parties to comment on the ESIA findings; and
- To provide project information on:
  - Purpose, nature, and scale of the project;
  - Duration of proposed project activities (construction and operation);
  - Risks, impacts and relevant mitigation measures and benefits; and
  - Public feedback forms and grievance mechanism.



Due to the COVID restrictions imposed in Azerbaijan, a maximum of 50 people were allowed to attend each meeting. Two (2) meetings were held over a weekday and weekend, to ensure maximum number of participants of attendance. The meetings were held at the village Sports Club yard. Meeting announcement and invitations were sent out 10 days prior to meetings and announced in the press and project website ([www.azerwind.az](http://www.azerwind.az)). Invitations were also posted in the village and sent out to NGOs and state agencies.

**Table 5-2 Public Disclosure Meeting – Participants**

	DETAILS
Dates	8 and 10 January 2022
Venue	Sitalchay Village - Village Sports Club yard
No. of Participants (Total)	88
Breakdown by Gender	Women: 23 Men: 65
Participants	<ul style="list-style-type: none"> <li>- 5 Capitals ESIA team</li> <li>- Ecoenergy team (local consultant)</li> <li>- Members of Local community (Sitalchay and Village)</li> <li>- NGOs including Azerbaijan Ornithological Society, Environmental Education and Monitoring PU, Support for innovative education of women and children PU, Social and political research PU, Support for Sustainable Tourism Development PU</li> <li>- State Agencies such as State Agency for Renewable Energy Sources, State Employment Agency Territorial Employment No. 10, Institute of Archaeology and Ethnography of ANAS, Museum of Natural History of ANAS, Representation on Administrative Territorial Districts</li> <li>- Youth Tourism Public Union</li> </ul>

**Plate 5-2 Public Disclosure Meeting – Compilation of Photographs**



PHOTOGRAPHS



#### 5.4.2 Second Public Disclosure – June/July 2022 (EBRD Disclosure)

Since the submission of the ESIA Reports to the MENR for approval and the public disclosure meetings in January 2022, the ESIA report has been submitted for review and approval by EBRD since the project is seeking financing. Therefore, the ESIA Report along with the other environmental and social (E&S) Management Plans have been updated to address feedback and comments received from EBRD and project technical advisors.

As requested by EBRD, additional public disclosure meetings were held with the relevant stakeholders and local communities to disclose the updates to the ESIA and E&S Package since it was published on EBRD and ACWA Power websites on 20<sup>th</sup> May 2022. Project leaflets in local language (Azerbaijani) were also distributed during the meeting to all participants and included information on the key updates made in the ESIA, disclosure of the Draft LRP, project information and a group of Frequently Asked Questions (FAQ). The number of leaflets distributed is provided in the table below. Copy of Leaflet is provided in Appendix D.

**Table 5-3 Number of Leaflets Distributed (Area 1 and Khizi 3 WFs)**

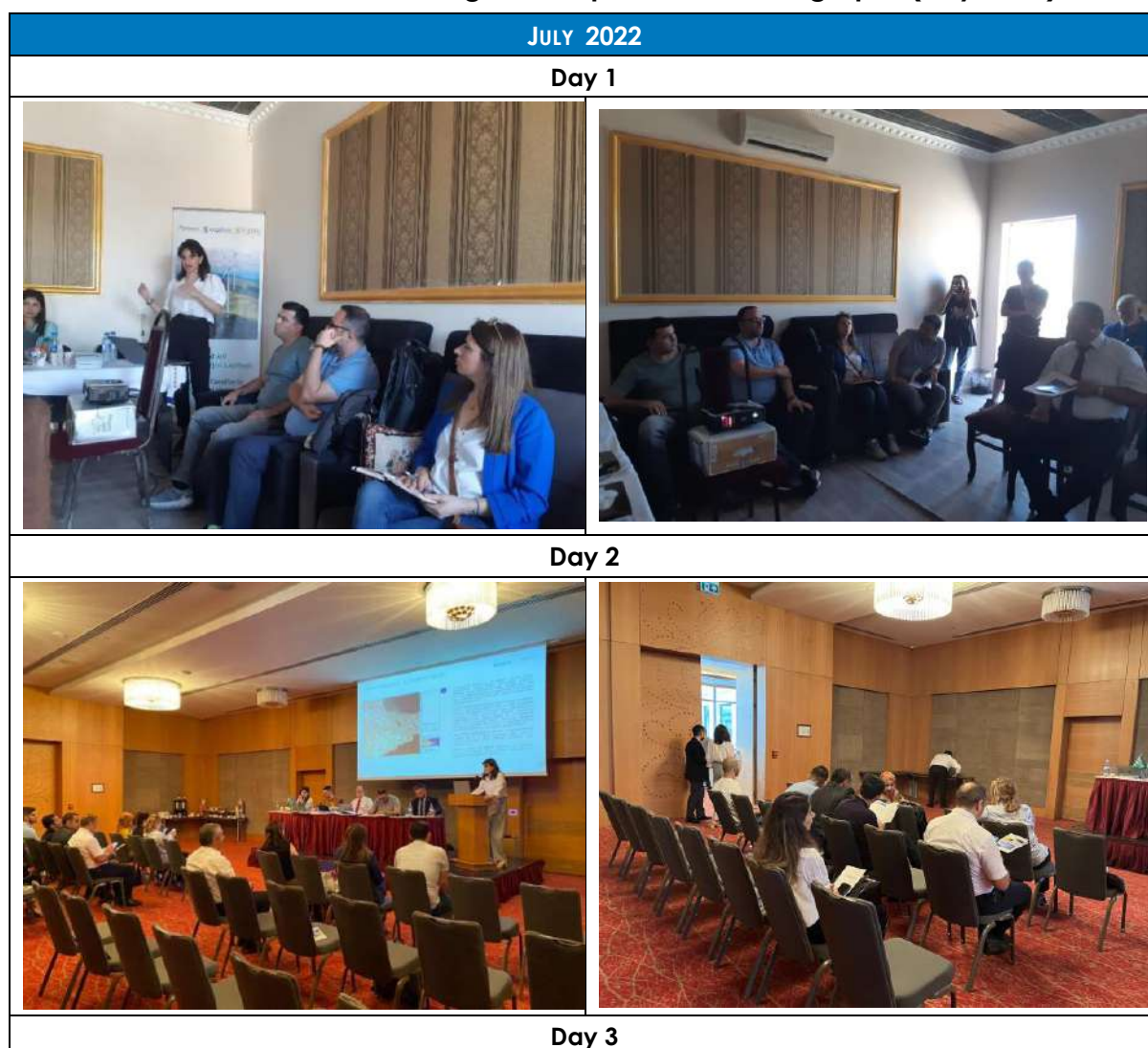
STAKEHOLDER BODIES/COMMUNITIES	NUMBER OF LEAFLETS DISTRIBUTED
<b>Wind Farm</b>	
Sitalchay Village, Tent	16
Perikishekul Village , Tent (for Disclosure of Area 1 WF)	31
NGOs and Academics, Baku, Holiday Inn	21
State Agencies, Baku, Holiday Inn	13
<b>OHTL</b>	
Perikishekul Village, PIC	15
<b>Total</b>	<b>96</b>

Summary of meetings are provided in the Table below.

**Table 5-4 Second Public Disclosure – Meetings (June and July 2022)**

DAY	DATE	STAKEHOLDERS
Day 1	30 <sup>th</sup> June 2022 - Thursday	OHTL Stakeholders (land users, receptors, Off-taker, etc_
Day 2	1 <sup>st</sup> July 2022 - Friday	Non-Governmental Organisations (NGOs), Civil Society Organisations (CSOs) and State Agencies  Two (2) sessions: – 1 <sup>st</sup> Session (9 am to 11 am) - NGOs/CSOs – 2 <sup>nd</sup> Session (1 to 3 pm) – State Agencies
Day 3	2 <sup>nd</sup> July 2022 - Saturday	Local communities, PAPs (LRP), etc.  Two (2) sessions: – <b>1<sup>st</sup> Session (10 am to 12 am) – Sitalchay Village (Khizi 3 WF Project)</b> – 2 <sup>nd</sup> Session (2 pm to 4 pm) – Perekeshkul Village (Area 1 WF Project)

**Plate 5-3 Public Disclosure Meetings – Compilation of Photographs (July 2022)**





JULY 2022



#### ONLINE DISCLOSURE

In line with EBRD requirements on information disclosure, the updated ESIA study as well as supplementary ESIA package, inclusive of the updated Non-Technical Summary, Stakeholder Engagement Plan (SEP), Draft LRP and the Environmental and Social Action Plan (ESAP) have been disclosed on ACWA Power's and EBRD's websites on 20 May 2022 and can be accessed using the below links (in both English and Azerbaijani languages):

**Table 5-5 Website Links to Disclosed ESIA Documents**

Entity	Website	Disclosure timeline
EBRD	<a href="https://www.ebrd.com/work-with-us/projects/esia/azerbaijan-absheronkhizi-wpp.html">https://www.ebrd.com/work-with-us/projects/esia/azerbaijan-absheronkhizi-wpp.html</a>	May 2022
ACWA Power	<a href="https://acwapower.com/en/projects/azerbaijan-wind-ipp/">https://acwapower.com/en/projects/azerbaijan-wind-ipp/</a>	May 2022

The disclosed documents were prepared in English and translated to Azerbaijani:

- EISA Volume 1, NTS;
- ESIA Volume 2, Main Report;
- ESIA Volume 3, Framework for Environmental & Social Management;
- ESIA Volume 4: Appendices;
- SEP;
- Draft LRP; and
- ESAP.

#### NOTIFICATION TO STAKEHOLDERS ON THE ONLINE DISCLOSED DOCUMENTS

A number of pre-determined stakeholders (as specified in the SEP) were provided with letters in Azerbaijani with a summary of the Project information, expected financing DFIs and notification regarding finalisation of the EISA documents and their disclosure online and how to access them. These letters were sent to the Project's stakeholders.

In line with the project SEP, hard copies of the NTS, Draft LRP, SEP and project Leaflet were available in the PIC office in the local language (Azerbaijani). The PIC office is located in the village and easily accessible, therefore, special arrangements to reach PIC were not required as its easily accessible by the elderly and those that do not have access to internet.

For vulnerable groups and people who still could not access the PIC, PIC representative visited the homes of these people (e.g. disabled people and elderly) and shared copies of the NTS, and SEP where required. Copies of the project leaflet were also provided. A list of households that included vulnerable people was requested from the Municipality of Sitalchay.

**Table 5-6 Distribution of ESIA Documents**

PROJECT	NUMBER OF INDIVIDUALS VISITED
Khizi 3 WF Project - Sitalchay Village	4

In addition, hard copies of NTS, SEP and project brochure were made available at the following PIC for the WF and OHTL:

**Table 5-7 Distribution of ESIA Documents**

LOCATION	CONTACT DETAILS
<b>Wind Farm</b>	
Sitalchay Village	PIC, Alakbarov Alabbas Street, Sitalchay village, Khizi district.
Baku	Bashir Safarovlu 215
<b>OHTL</b>	
Perikishkul Village	PIC, Mahammad Amin Rasolzade Street, Pirakashkul village, Absheron district

**Note:**

- The disclosure links and location of PIC office (for hard copies) were communicated to the local community and PAPs in the project leaflets distributed to attendees during the ESIA public disclosure meetings.
- The Project will continue to utilise the PIC offices to provide publicised Project information to the PAPs. This will be undertaken in consultation and coordination with the Municipalities.

**OUTCOME OF DISCLOSURE MEETINGS**

The key concerns raised during both public disclosure events are recruitment opportunities with the projects during construction and operation and the social support/ development expected from the Project such as better infrastructure, parks, playgrounds, etc. The full details of the disclosure meetings are provided in Section 3 of the Public Disclosure Report prepared for the Project.

Project Company will assess the suggestions in consultations with the local government municipalities to determine suitability, existing government initiatives. In addition, a Community Development Framework/Plan will be developed by Project Company once fully established

(expected timeline: 6 months after Financial Close) to assess and select suitable programmes for the community.

For land use and PAPs, separate disclosure meetings and consultations will be carried out with the PAPs to disclose the compensations in line with the LRP implementation plan.



## 6 FUTURE STAKEHOLDER ENGAGEMENT PROGRAMME

Stakeholder engagement is an on-going process that will be undertaken during the construction, commissioning and operational phases of the Project. The processes used will be transparent, free of intimidation, interference and coercion. The aim of this section is to describe what information will be disclosed, in what formats, the types of methods that will be used to communicate information and the consultation methods to be used with each of the stakeholder groups identified in the previous sections.

### 6.1 Engagement Methods

The following methods will be used to inform stakeholders about the on-going stakeholder engagement process during construction and operations of the Project:

- Public Information Centre (PIC) developed by ACWA Power - This centre will be used to engage with the local communities, receive grievances, facilitate recruitment processes, etc;
- Project Brochures – These will be distributed to vulnerable groups and will be available to those who cannot attend ESIA disclosure sessions (as available from the PIC). They will include a summary of the negative and positive impacts of the project and information regarding the grievance mechanism;
- Letters, Phone calls and email - Suitable to engage interest-based stakeholders and to notify them of the engagement and disclosure mechanisms;
- Bilateral meetings - Suitable to engage impacted and interest-based stakeholders as identified, to allow these stakeholders provide their views and opinions and to notify them of the engagement and disclosure mechanisms.
- Posters or Notices - Signboards and Illustrative posters (info graphics) will be placed at the PIC and key project locations on-site (i.e. main entrance gates to temporary construction compounds), including direct access to the grievance mechanism.
- Social Media – This may include use of messaging platforms such as WhatsApp, Telegram, Zoom etc. to communicate general information about the Project. Data privacy must be ensured and protected if a stakeholder database is established.
- Meetings with community leaders- These can be informal meetings held with community leaders so as to maintain good relations with the community and address any concerns the community might have.
- Online – Useful for Interest-based Stakeholders. The engagement and disclosure mechanisms for the ESIA package during the construction and operational phases of the project will be advertised on ACWA Power's

website with a contact point provided for comment. The same will be available on the lending institution respective websites.

## 6.2 Disclosure of E&S Documents

Public E&S disclosure will be undertaken as required by Lenders and MENR. The disclosure sessions will involve key stakeholders as identified in this SEP (please refer to the table below). The intention of the disclosure will be to present the outcomes of the ESIA process and to advise of key mitigation and management measures, including key elements of the SEP such as the grievance mechanism and how it can be accessed.

Due to the COVID-19 pandemic and national restrictions that are in place (and may be imposed) in Azerbaijan during the time of public disclosure, alternative methods will be developed taking into account the national COVID-19 restrictions and social distancing measures. This will be based on EBRD briefing note for Consultations during COVID.

The ESIA Non-Technical Summary, Draft LRP and SEP (including Grievance Mechanism) will be disclosed to the different stakeholders (impacted and interest-based stakeholders as applicable) through public disclosure meetings where COVID-19 related public assembly restrictions allow.

This public disclosure meeting will include those that were consulted during the Draft ESIA public disclosure meeting. This includes but not limited to local communities, PAPs, NGOs, etc. It will also target those that were not consulted or were not available to participate during the Draft ESIA public disclosure meeting.

**Table 6-1 Public Disclosure Timetable**

ACTIVITY	STAKEHOLDERS	ENGAGEMENT METHOD	TIMING AND FREQUENCY
<b>Disclosure of ESIA and E&amp;S documents</b>	All identified stakeholder (impacted and interest-based including vulnerable groups).	<p>Once agreed with the lenders, the ESIA study, Non-Technical Summary (NTS), SEP and Draft LRP will be fully disclosed online. The documents will be available on the website of ACWA Power prior to financial close. Where appropriate, stakeholders have the opportunity to comment or request additional information during this disclosure period.</p> <p>These documents will also be disclosed on lender's website including EBRD and will include ESIA study, NTS, Draft LRP, Environmental and Social Management and Monitoring Framework, this SEP and the draft LRP and the Environmental and Social Action Plan (ESAP) in Azerbaijani and English.</p> <p>Should online accessibility be an issue for any stakeholders, they will be able to view copies of the ESIA, SEP and Draft LRP at the Project's PIC.</p>	Minimum 60-day disclosure period prior to financial close for EBRD and 120 days for ADB

ACTIVITY	STAKEHOLDERS	ENGAGEMENT METHOD	TIMING AND FREQUENCY
		NGOs will be invited to a series of open days at the PIC office where they can receive the latest information on the project and will be free to ask questions relating to any concerns they may have.	
	Impacted Stakeholders	<p>In the event that impacted stakeholders are unable to access documents disclosed online, bilateral meetings will be held (where COVID-19 restrictions allow) to advise of ESIA NTS, SEP and Draft LRP outcomes, process, access to grievance process, and compensation or resettlements schedule (if applicable).</p> <p>Where public assembly is restricted due to COVID-19, the NTS, SEP and draft LRP will be disclosed using short videos and shared through existing community news messaging platforms.</p> <p>In addition, hard copies of the NTS, Draft LRP and SEP will be available in the PIC office in local languages (Azerbaijani) so that they are easily accessible by the elderly and those that do not have access to internet.</p>	
	Vulnerable Groups	<p>The PIC office is located in the village and easily accessible, therefore, special arrangements to reach PIC is not required. PIC representatives will visit the homes of the disabled people and elderly and share copies of the NTS and SEP if required.</p> <p>In addition, short videos will be shared through existing community news messaging platforms.</p>	

At the end of 60 days EBRD disclosure period and 120 days ADB disclosure period, a public consultation and disclosure report will be developed based on additional consultation and feedback undertaken during the disclosure period. This feedback report will then be disclosed on ACWA Power's website together with the final ESIA package explaining the disclosure activities that have been undertaken, feedback received and whether/how these are addressed in the final ESIA and management plans..

### 6.3 Measures to Avoid Reprisal

Stakeholders must be able to provide their feedback, opinions and raise concerns without fear of retaliation (e.g., threats, intimidation, harassment or violence) to ensure meaningful engagement during the lifecycle of the project. The following will be implemented by Project Company (PC), EPC and O&M company and all subcontractors and subconsultants involved in the project:

- Adopt a zero-tolerance policy to reprisals which will be reflected in the Code of Conduct and company policies. This will be communicated to stakeholders during all engagements;
- If risks of retaliation become an issue (e.g. , when stakeholder raise or signal concerns to their safety for expressing their opinions,) the stakeholder engagement process may need to be adapted to ensure safety of the participants (e.g not disclosing venue or date of consultation etc.).
- Participants will be informed on the purpose of engagement/consultation and obtain consent to signing attendance sheet. Participants will be informed about how this information will be used and to be given the option not to have their names disclosed;
- Raise awareness among staff to ensure implementation company's code of conduct and train employees on expectation of their behaviours when communicating with local community and project PAPs;
- Allegations of reprisals will be addressed and responded to. Responses will be taken in consultation with those at risk and measures on responding to reprisal and implementation will be agreed with victims. Personal information will not be disclosed.

## 6.4 Stakeholder Engagement During Construction and Commissioning

Stakeholder engagement during construction and commissioning will allow stakeholders to assess whether project processes and measures are working as intended, if grievances are being responded to and identifying alternatives where there are failings. Effective management of stakeholder engagement during the construction and commissioning phase is important as it can set the tone for the remainder of the project (ref. IFC, Handbook for Stakeholder Engagement).

Construction and commissioning related engagement processes are set out below.

**Table 6-2 Construction & Commissioning Phase SEP Timetable**

ACTIVITY	STAKEHOLDERS	ENGAGEMENT METHOD	TIMING AND FREQUENCY
Compensation and livelihood restoration activities in line with LRP	PAPs identified in LRP (farmers, herders and herb collectors)	In accordance with LRP	Prior to construction and start of early works
Notify stakeholders of construction and commissioning activities including the timelines.	Directly and Indirectly Impacted Stakeholders (See Table 5-1 & Table 5-2)	Official notices will be posted at the PIC, temporary construction facility entrances and at strategic locations along the access road route. This will advise of construction and commissioning commencement and of possible disruption during	Prior to the start of construction and commissioning phases. This will be updated as necessary within the construction and commissioning phases if there are changes to the

Activity	Stakeholders	Engagement Method	Timing and Frequency
		works (such as road closures, delays etc.).  Bilateral meetings will also be undertaken with directly impacted stakeholders to inform them of the construction commencement and any changes in project construction schedule.	planned activities or processes.
	Local Government Authorities and Government Bodies	Official emails or letters in coordination with applicable local authorities will be sent to provide information on construction and commissioning activities and timelines	
	NGOs		
	All stakeholders	Notification of the Project construction and commissioning activities and timelines on ACWA Power's website (this will be part of the ESIA documents uploaded on ACWA Power's website).	
Notify stakeholders of construction and commissioning activities including the timelines - <b>OHTL, To be undertaken by Off-taker (Azerenergi)</b>	Directly and Indirectly Impacted Stakeholders based on final OHTL route	In line with national requirements	Prior to the start of construction and commissioning phases
Communication relating to seasonal farmers/ herb collection activities	Seasonal farmers, herb collectors, etc	Any project updates will be communicated to the seasonal herders through the Project's Public Information Centre (PIC) and Project Company (PC). An updated contact list with phone numbers of herders, herb collectors and all PAPs will be kept in the PIC office for any communication updates pertinent to their activities.	On a quarterly basis throughout construction phase of the project
Disclosure/ consultation activities concerning Community Development Framework/Plan	Local community	Meetings with local community to discuss / agree on community development programmes suitable for the community.	To be confirmed - Community Development Plan.

ACTIVITY	STAKEHOLDERS	ENGAGEMENT METHOD	TIMING AND FREQUENCY
Communication of emergency preparedness and action plan	Herders & Nearby Farmers	Bilateral meetings will be held with these stakeholders to inform them of the emergency plan and to optimise with any concerns from their side. Information on emergency planning will also be available at the Project's Public Information Centre.	Prior to the start of construction and commissioning and if there are key changes to such planning.
	Local Government Authorities & Government Bodies	Official emails or letters informing the applicable agencies about the emergency response procedures in place and any required co-ordination for specific events. Bilateral meetings will be held where necessary.	
Communication of GBV and SEA/SH Prevention and Response	Women, young girls and boys within communities near the Project site	Bilateral meetings will be held with women, young girls and boys in the communities near the Project site to educate them on reproductive health, STDs, gender-based violence and to encourage them to report any cases of GBV, SEA & SH.	On a quarterly basis throughout construction phase of the project
Independent Environmental & Social Monitoring & Reporting	Project Lenders	Environmental and Social auditing to evaluate Projects compliance with Azerbaijan standards, lender requirements and loan covenants. To include GBV – SEA/SH prevention and response activities, number of grievances handled, SEA/SH awareness creation trainings provided for project staff, etc.	On a quarterly basis throughout construction and commissioning phase of the Project.
Implementation of the grievance mechanism	All identified stakeholders	As described in the grievance mechanism section of this SEP (see Section 7).	Established at the start of construction and commissioning phases and updated throughout to facilitate rapid and effective response.



## 6.5 Stakeholder Engagement During Operation

It will be important for the Project Company and O&M Company to ensure a smooth transition between stakeholder engagement from construction and commissioning phase to operational phase of the Project by understating the techniques that have been most effective during construction and commissioning phases. It will be important to continue these techniques to avoid decrease in the frequency of stakeholder engagements, as the stakeholders are already familiar with the typical processes for engagement.

**Table 6-3 Operational Phase SEP Timetable**

ACTIVITY	STAKEHOLDERS	ENGAGEMENT METHOD	TIMING AND FREQUENCY
Notify stakeholders of the transition from construction/commissioning to operations	All Impacted Stakeholders	Official notices will be posted at the PIC, key project buildings and turbine pads to advise of commencement of the operational phase of the Project.	At least 2 months prior to commencement of operations.
	Local Government Authorities & Government Bodies and NGOs	Official emails or letters will be sent to provide information on operational phase activities and timelines.	
The emergency preparedness plan, or other HSE related matters that may affect local external parties.	Seasonal Herders, her collectors & Nearby Farmers	Bilateral meetings will be held with these stakeholders to inform them of the emergency plan and to optimise with any concerns from their side.	2 months prior to the commencement of operations and if there are key changes to such planning.
	Government Bodies, State Committees/Agencies Local Government Project Lenders	Official emails or letters informing the applicable government agencies/authorities about the emergency response procedures in place and any required co-ordination for specific events. Bilateral meetings will be held where necessary.	
Communication of GBV and SEA/SH Prevention and Response	Women, young girls and boys within communities near the Project site	Bilateral meetings will be held with women, young girls and boys in the communities near the Project site to educate them on reproductive health, STDs, gender-based violence and to encourage them to report any cases of GBV, SEA & SH.	On an annual basis throughout operational phase of the project.
Independent Environmental &	Project Lenders	Environmental and social auditing to evaluate projects compliance with	On an annual basis throughout

ACTIVITY	STAKEHOLDERS	ENGAGEMENT METHOD	TIMING AND FREQUENCY
Social Monitoring & Reporting		Azerbaijan standards, lender requirements and loan covenants. To include GBV – SEA/SH prevention and response activities, number of grievances handled, SEA/SH awareness creation trainings provided for project staff, etc.	operational phase of the project.
Implementation of the grievance mechanism	All identified stakeholders	As described in the grievance mechanism section of this SEP (Section 7).	Established at the start of operations and managed throughout the entirety of the operational phase to facilitate rapid and effective response.

## 7 GRIEVANCE MECHANISM

The Project's activities (during construction, commissioning and operation) may result in potential nuisance to stakeholders, or environmental and social impacts and as such it is required to establish a grievance mechanism to address potential complaints from affected parties. The aim of the grievance mechanism is establishing a system to receive and facilitate resolution of the stakeholder's concerns and grievances about the Project's environmental and social performance.

The grievance mechanism is an important part of stakeholder engagement and will be in place from the E&S disclosure process, throughout construction and operations through the end of the Project life. The grievance mechanism will use an understandable and transparent process that is culturally appropriate and readily accessible at no cost; so, all stakeholders/affected parties will have the opportunity to raise a complaint.

The overall accountability for the grievance mechanism will be held by the Project Company, although responsibility for elements of its implementation may be contractually delegated.

### 7.1 Key Principles of Grievance Mechanism

The grievance mechanism for the Project will comply with the following principles:

- The purpose of the grievance mechanism procedure will be clarified at the outset;
- The process will be scaled to the risks and impacts of the Project;
- The process will be transparent and accountable to all stakeholders by putting it into writing, publicising it and explaining it to relevant stakeholders;
- The grievance mechanism will be made clear, understandable and easily accessible by providing information in the local language and orally where communities cannot read;
- Complaints or concerns will be rapidly resolved;
- The mechanism will not involve any costs nor retribution associated with lodging a grievance; and
- Precautionary measures such as clear non-retaliation policy, confidentiality measures and safeguarding of personal data collected in relation to a complaint, as well as an option to submit grievances anonymously will be in place.

### 7.2 Scope of Grievance Mechanism

The scope of the grievance mechanism is to evaluate and address stakeholders' problems and concerns regarding project activities, the implementation of mitigation and

compensation measures as per the ESIA and environmental and social performance of the Project.

All relevant claims from affected stakeholders will be accepted and no judgment made prior to investigation, even if complaints are minor. This includes complaints in relation to gender-based violence, sexual exploitation and abuse, sexual harassment, conflict between project employees and community members etc.

However, according to good practice, the following claims will be directed outside of Project-level mechanisms:

- Complaints clearly not related to the project based on assessment of its legitimacy;
- Issues related to governmental policy and government institutions;
- Complaints constituting criminal activity and violence, which will be referred to the justice system; and
- Commercial disputes: Commercial matters will be stipulated for in contractual agreements and issues will be resolved through a variety of commercial resolution mechanisms or civil courts.

In the event that any of the grievances are rejected at the screening stage, the complainant will be informed of this decision including a justification why.

Grievances raised due to the development of the OHTL will be recorded and raised to Azerenergi to address and close out in coordination with Project Company.

## 7.3 Steps in Managing Grievance Mechanism

### 7.3.1 Publicising Grievance Management Procedures.

The grievance mechanism of this Project will be publicised using the means outlined and as linked to the disclosure processes. In addition, notices will also be provided at key Project locations (i.e. PIC and site/office entrances) in regard of how to lodge a grievance and the process related to follow up. The information provided will be available in both English & Azeri and will include the following:

- What Project-level mechanisms are capable of delivering and what benefits complainants can receive from using the company's grievance mechanism, as opposed to other resolution mechanisms;
- Who can raise complaints (i.e. all stakeholders);
- Where, when, and how community members can file complaints;
- Who is responsible for receiving and responding to complaints;

- What sort of response complainants can expect from the company, including timing of response; and
- What other rights and protection are guaranteed.

### 7.3.2 Submitting a Grievance

Upon raising awareness and publicising the mechanism, grievances may be submitted by:

- Direct delivery of a completed form (ref. template in Appendix A) to a sealed grievance box at the PIC and project site office entrances;
- Submission by post or email; and
- Directly received by project personnel, including security personnel (security personnel at the Project's entry points and site office(s) must be aware and trained to deal with any grievances appropriately).

Information will be provided at the PIC and key Project site/office entrance locations, at the location of grievance boxes to inform people about the process and timeline to follow up their grievances.

For illiterate complainants or those that prefer to submit their grievances verbally, they will have the possibility to lodge this with PIC staff or to meet with the relevant site E&S/HSE Manager who will take notes on the details of the complainant and read them out loud to the complainant to confirm that the key elements of the complaint have been captured. Where the respective manager is not available, security staff will take the grievances and ensure these are registered via the formal grievance process.

If an anonymous grievance (e.g. letter or email without details about the complainant) or the grievant requests to remain anonymous is submitted, the grievance will also be accepted and processed.

### 7.3.3 Keeping Track of Grievances

Upon receiving grievances submitted by any means mentioned above, the steps below will be followed to ensure all grievances are adequately investigated in order to avoid leaving any issues or concerns raised open.

- The grievance will be recorded in a form of register (ref. Template in Appendix B). The register will contain:
  - Details of the grievance;
  - The personnel/division(s) responsible for resolving the grievance;
  - Process tracking fields (receipt dates, status, result dates);
  - Response provided to the complainant;
  - Corrective and preventive actions taken to prevent reoccurrence of such complaint; and

- The grievances will be acknowledged as soon as possible (no later than a week from reception) by sending a formal confirmation with a complaint number and a timeline for response to the complainant to assure the complainant that the organization is responding properly.
- In cases of sensitive grievances, such as those involving multiple interests and a large number of affected people or those relating to sexual abuse and harassment or gender-based violence, where a more complex investigation is required, the complainant will receive an update within two weeks of the grievance being received, explaining the actions required to resolve the complaint, and the likely timeframe; and
- The Project Company will explain in the first letter of acknowledgment, which claims are clearly outside the scope of the mechanism and what alternative mechanisms communities can use to address these potential issues.

### 7.3.4 Reviewing and Investigating Grievances

Depending on the circumstances of complaints made, various departments may need to be involved in resolving the complaints. The person(s) responsible for handling grievance will organize the process to validate the complaints legitimacy and arrange for investigation of details.

When grievances are complex and cannot be resolved quickly, an extensive investigation may be required to prevent escalation of the issue. The responsible and accountable party remains the Project Company, although the investigation and review may be delegated to the EPC Contractor or O&M Company respectively. The grievance mechanism must conform to the principle of 'no cost'. If the investigation team is formed internally, issues that will be taken into consideration include potential conflicts of interest, qualifications, gender composition, and budget. Meetings with complainants and site visits will be undertaken, as appropriate.

All grievances will be investigated by the responsible Project party within 2 weeks of submittal. Where grievances require a longer duration for investigation, the grievant will be informed of this delay and advised of the expected timeline for a response.

In cases of sensitive grievances - such as those involving multiple interests or those relating to sexual abuse and harassment or gender-based violence or community related conflict- it may help to engage outside organizations in a joint investigation, or allow for participation of local or national authorities only if the complainants agree to this approach.

### 7.3.5 Grievance Resolution Options and Response

The approach used in resolving various types of grievances will be different depending on the nature of the issue, frequency of occurrence and the number of grievances. Rather than prescribing a specific procedure for each particular type of complaint, the flexibility of the grievance mechanism allows for resolution options appropriate for different types of



grievances to be provided. For example, these options may include altering or halting harmful activities or restricting their timing and scope (e.g. for construction dust, or access road noise), providing an apology and revising the stakeholder engagement strategy.

Resolution to the grievance will be communicated to the grievant either in written format or verbally depending on what format the grievant has selected as preferred, but in all cases a written record will be kept by the Company. In cases where the grievance/claim is rejected or where the company does not require action, the company representative will be diplomatic when informing the grievant about the outcome of the eligibility review process so as to prevent conflict from escalating.

Where the claim is accepted, a proposed solution will be provided and communicated to the grievant within a stipulated period. If the grievant does not accept the proposed resolution, the company would re-assess the situation, discuss and clarify the finding with the grievant and make sure that all alternatives within the grievance mechanism are explored. If the grievant is still not satisfied with the proposed resolution, the grievant will be allowed to take the dispute resolution mechanism outside of the company grievance mechanism (external mechanism).

Where a proposed solution is accepted or agreed upon by all parties involved, the case will be closed out and evidence that necessary actions have taken place will be collected. Such evidence includes:

- Conducting a meeting with the complainant to reach a collective agreement or get a confirmation and file it along with the case documentation to close out the claim; and
- Take photos or collect other documentary evidence to create a comprehensive record of the grievance and how they were resolved.

Where the grievant is not satisfied with the outcome of the proposed resolution, actions concerning further discussion and re-assessment shall be completed and advised within 2-weeks of notification of dissatisfaction by the grievant.

## 7.4 Grievance Mechanism in Construction and Commissioning Phase

The construction and commissioning phase will require two separate grievance mechanisms to be implemented for the following parties:

- **Workers** - Construction and commissioning personnel, workers, project staff, (including sub-contractors' staff and visitors); and
- **Third-parties** – All other parties not related to the Project.

A member of Project staff will be assigned the responsibility to manage the grievance mechanism during this time, to ensure that all received grievances are processed via the

provisions in this SEP. They will also be required to train related staff (as outlined below). Adequate resources will be allocated to the assigned staff member responsible for managing grievances. An additional team or part of an existing team may support the member of staff; however, the staff will be experienced in engagement processes and will be familiar with the lender requirements for stakeholder engagement.

#### 7.4.1 Workers Grievance Mechanism (Internal)

The workers grievance mechanism will be made available for all construction and commissioning personnel associated with construction and commissioning activities to enable them make work related concerns. This includes all those employed by the Project Company, EPC contractor, sub-contractors, any other related contractors and project visitors. All construction and commissioning personnel will be made aware of the grievance mechanism during their employment inductions. There will also be information on how to access the grievance mechanism posted at key locations on-site (e.g. noticeboards) and at dedicated worker accommodation.

Grievances from construction and commissioning personnel will either be made in writing to the EPC Contractor via a specific grievance form (ref. template in Appendix A). The grievance form will be made available at key locations on-site (e.g. administration block, canteen area, and office locations) as well as at any staff accommodation area. The grievance form will be available in Azeri & English and other applicable languages of the workforce. The complaints can also be made verbally in confidence to the manager of the grievance mechanism or other manager, and the manager will complete the grievance form on behalf of the grievant.

Grievance forms will include contact details of the complainant; however, a grievance can be raised anomalously if desired. Grievance forms will be posted in a sealed and locked 'post box', located at all key locations where grievance forms are available. The grievance box will be checked on a regular schedule several times a week. If a verbal grievance is preferred this can be specified by the complainant at the time of raising the grievance and the responsible staff will also record the grievance received and register it via the formal process.

Responses to grievances will be transparent and free of retribution. Follow-up to grievances will be completed on a grievance follow up form and also documented in the grievance register. The follow up form will state all actions taken to resolve the grievance and any further dialogue that had ensued, as well as any future monitoring of the situation or other planned actions. The completed and signed off forms will be kept in a dedicated grievance mechanism folder on site, which will be made available for review to the external independent environmental and social auditors during the periodic environmental and social audits required during the construction and commissioning phase.

#### 7.4.2 Third-Party Grievance Mechanism

Third-party grievance forms will be made available in Azeri & English at the PIC and key site/office locations. Sealed and locked 'grievance boxes' will be made available at these locations for grievance form submission. The contact details of the applicable Manager will be advertised at the notice board at the site's main entrance gate, once the individual has been appointed. The process for recording, reviewing, following up and responding to will be the same as detailed in sub-section 7.3.

Where third-party complaints are received by telephone, letters or email these will also be formally recorded and followed up appropriately by the designated representative. The solution to the grievance will be communicated to the grievant depending on the format the grievant has selected as preferred. In cases where the grievance/complaint is rejected, the company representative will be diplomatic when informing the grievant about the outcome of the resolution process so as to prevent conflict from escalating.

The company would re-assess the situation, organise a meeting with the complainant and local community members responsible for arbitration during conflicts or mediating of conflicting groups to discuss and clarify the findings and make sure that all alternatives within the grievance mechanism are explored.

Formal records of the grievance submission, investigation, determination of root cause (if any), corrective and preventative actions and any follow up (including monitoring) will be recorded in a grievance follow up form and maintained as documented information, with all other associated evidence of follow-up or corrective/close-out actions.

The follow up form will state all actions taken to resolve the grievance and any further dialogue that had ensued, as well as any future monitoring of the situation or other planned actions. The completed and signed off forms will be kept in a dedicated grievance mechanism folder, which will be made available for review to applicable third-parties such as independent environmental and social auditors.

#### 7.4.3 Monitoring

The process of monitoring grievance and complaints by the EPC will be under the scrutiny of ACWA Power Project Company who will discuss this in weekly and monthly EHS Meetings and through the site audit programme. In addition there will be quarterly third-party independent audits by an E&S Consultant that will verify the suitability of the process and the method for documenting complaints and responding to them. The findings will be reported to the lenders and to the Board of the Project Company.

## 7.5 Grievance Mechanism during the Operational Phase

The grievance mechanism in the operational phase of the Project will be similar to that of the construction and commissioning phase. The grievance mechanism will be available for both workers and third-parties.

A member of staff will be assigned and responsible for managing worker and third-party grievances received (recording, reviewing, investigating and responding) appropriately. Grievance forms will be made available in Azeri & English at the PIC, as well as key locations on-site with a sealed and locked 'grievance box' available for submitting grievance at these locations. The grievance box will be checked regularly for submissions. The process for recording, reviewing, following up and responding to will be the same as detailed above. All grievances received during operations (including all follow up documentation) will be maintained for a minimum of 5 years, with records being available on site.

Where third-party grievances are received by letters or email, these will also be formally recorded and followed up appropriately by the designated representative. The contact details of the applicable manager will be advertised at the PIC and notice boards at the site's main entrance/office locations.

There will be worker representatives selected by workers at sites who will be involved in grievance management and in coordination with representatives from trade unions.

## 7.6 Grievance Procedures for Women and Vulnerable and Disadvantaged Groups

The following procedures will be implemented to ensure GBVH cases are reported:

- A Project specific GBVH Policy detailing the list of unacceptable behaviour among workers, provisions for reporting, sanctions for perpetrators and available resources & support systems for the victims will be prepared and implemented in accordance with lenders and Azerbaijan requirements including ACWA Power's Environmental & Social Management System Implementation Manual;
- Workers will be provided with information regarding worker code of conduct in local languages as part of their employment contract which will include provisions for reporting, investigations, termination and disciplinary action against those who perpetrate gender violence and harassment;
- The EPC Contractor and O&M Company will conduct mandatory regular training and awareness raising for the workforce on gender-based violence and harassment towards local community members and their colleagues especially women and the availability of a grievance mechanism to report any GBVH cases;

- The workers will be made aware of the laws and regulations that make sexual harassment and gender-based violence a punishable offence which is prosecuted;
- Ensure inclusion of a balanced representation of women on the HSE team and CLO who will be easily relatable and approachable to female workers;
- Develop tools for anonymous sexual harassment complaints by workers and host community members and protect the confidentiality of the complainants;
- EPC will train female GBVH focal point to address any GBVH cases between workers;
- The EPC Contractor and O&M Company will work in close coordination with the local authorities in investigating any complaints relating to gender violence and harassment in the host communities where it relates to Project workers;
- The EPC Contractor will provide targeted training (including in life skills such as leadership and decision-making) and awareness raising to vulnerable workers such as women; and
- Develop a monitoring system to monitor GBV activities to assess the effectiveness of the controls.

### 7.6.1 Reporting of Gender Based Violence and Harassment (GBVH)

Channels and tools for anonymous reporting of GBVH will be developed. The reporting channels will ensure safety and confidentiality to encourage reporting of such incidents. The reporting channels will include any of the following:

- Community members: Channels may include complaint/feedback boxes, a toll-free telephone number, a designated community organisation (e.g. NGOs, etc.), service-user group or local women's organisation. Reporting channels will include anonymous and child-friendly options to encourage children and young people to come forward.
- Workers: Channels may include complaint/feedback boxes at site/office, online reporting on company website or email.

## 7.7 Grievance Mechanism Contact Details

The following details will be provided to the stakeholders including seasonal herders in order to be able to submit their grievances or comments regarding the proposed Project.

**Table 7-1 Stakeholder Engagement - Grievance Mechanism Contact Details**

COMPANY	CONTACT DETAILS
Project Company	ACVA POWER AZERBAIJAN RENEWABLE ENERGY
Grievance Manager/In-Charge	Javid Alifli

	Phone: M + 994 50 241 80 30 Email: JAlifli@acwapower.com
PIC	Vusal Safarov Phone: +99455 260 08 09 Email: vusal.safarovv@gmail.com

The Project Company, EPC Contractor and O&M Company's contact details will be confirmed before the commencement of the construction and operational phases as applicable.

## 7.8 Process Flow and Timeline

**Table 7-2 Grievance Process and Timeline**

STAGE	TIMELINE
Grievance Received/Submitted	-
Grievance logged and acknowledged	Within 1 week of grievance being submitted
Grievance investigated	Within 2 to 3 weeks of grievance being submitted*
Proposed resolution conveyed to grievant	Within 30 days of grievance being submitted
If applicable following dissatisfaction of resolution by Grievant	
Actions to re-assess grievance/propose new solution/inform Grievant of final decision	Within 2 weeks of notification of dissatisfaction by Grievant
In the event that a grievance cannot be resolved between the two parties a mediator will be involved i.e. local leaders who understand the culture and practices within the Project site.	Within 2 weeks of notification of dissatisfaction by the Grievant.
Grievances that are not resolved at the project level - a grievance committee involving senior management from ACWA Power, municipality and any other relevant authorities (if required).	Within 30 days of notification of dissatisfaction by the Grievant.

**Note:** Where complex grievances, or other factors are extending the investigation time, the Grievant will be informed of this delay and advised of an updated expected timeline for response.

## 7.9 Training

It will be the responsible of Project management to endorse the grievance mechanism and ensure that workers and relevant stakeholders are aware of its availability.

It is also necessary for Project management to ensure that personnel are allocated to manage the grievance mechanism. These personnel shall be made fully aware of the outlined grievance mechanism and have access to this document to ensure that they can undertake the necessary duties for effective implementation.



As grievances can be submitted/taken at the PIC and key Project site/office locations, it will be necessary to ensure that security staff are trained in regard to this process and have access to this document and any applicable forms, contact details of responsible project parties etc.

In addition, all staff will be informed of the availability of the grievance mechanism in the Project induction, including its key features such as how to submit gender-based violence & harassment incidences , processes and where to access it.

## 8 IMPLEMENTATION PLAN

In order for this Stakeholder Engagement Plan to function effectively, it is important to determine a management structure and assign suitable personnel(s) to implement and manage this Stakeholder Engagement Plan.

### 8.1 Roles and Responsibilities (Project Company)

**Note:** The roles below will need to be revised upon finalisation of Project staff and responsibilities on-site. The responsibilities of the HSE Manager, Environmental and Social Manager and Community Liaison Officer are to be outlined below once confirmed by the Project parties.

#### 8.1.1 HSE Manager

NAME	To be confirmed
CONTACT DETAILS	To be confirmed

The HSSE Manager is responsible for:

- Ensuring stakeholders are recognised as partners in the development and delivery of strategic goals;
- Assisting the stakeholder management unit to effectively consult and engage stakeholders;
- Advising Senior Management of issues and/or risks to stakeholder relationship as soon as they arise so risk can be managed effectively;
- Supporting the implementation and management of the SEP;
- Getting involved in stakeholder engagement activities that relate directly to HSE concerns or emergency planning; and
- Engaging with any external stakeholders with respect to emergency planning, drills, and instances of emergency as appropriate.

#### 8.1.2 Environmental and Social Manager

NAME	To be confirmed
CONTACT DETAILS	To be confirmed

The EPC Contractor will employ/nominate the Environmental and Social Manager during the construction and commissioning phase and the O&M Company during the operation phase. The Project Company HSE Manager will oversee the Environmental and Social Manager. The Environmental and Social Manager is responsible for:

- Implementation of all aspects of the SEP ensuring that the Project is compliant with lenders requirements;
- Identifying stakeholder issues and acting appropriately to address those issues.
- Ensuring that the SEP and the available engagement methods are publicised by the Community Liaison Officer;
- Ensuring that Project personnel are well briefed in regard to the SEP and grievance mechanism (including security personnel), and that the required resources (e.g. vehicles, company phones, office materials) are provided;
- Ensuring stakeholder meeting and disclosure of information are managed properly.
- Supervising the processing and resolution of all grievances; and
- Supervising the independent periodic monitoring and disclosure of the non-technical summary of the audit reports and of the full reports if required.

### 8.1.3 Community Liaison Officer (Grievance Manager)

<b>NAME</b>	To be confirmed
<b>CONTACT DETAILS</b>	To be confirmed

In order to maintain regular communication with affected stakeholders, a Community Liaison Officer (CLO) will be employed/nominated (this role may be shared by the nominated E&S Manager). The CLO will be knowledgeable about the project region and will be able to speak local language. The responsibilities of the CLO include:

- Identifying, informing and recording public views, opinions & grievances and or relaying them to the necessary personnel for follow up;
- Setting up a grievance complaint tracker system to keep track of the type of complaints filed, the complainant and status of each complaint;
- Publicising & Distributing information to applicable stakeholders and translation of the material into applicable languages;
- Handling minor, straightforward issues such as those related to a complainants request for information;
- Obtaining clarification from other members of management in regard to dealing with specific grievances, such as a need to notify the Project Company (or other Project parties) in regard to the content or response to specific grievances;
- Ensuring all received external grievances are properly recorded, addressed and managed within the specified timelines as detailed in this procedure; and
- Keeping up to date with any changes in compliance obligations with respect to stakeholder engagement and grievances.

Note: EPC will also hire a CLO for the project which will report grievances to PC.

## 8.2 Monitoring and Reporting

The following Key Performance Indicators (KPIs) should be considered to evaluate the progress or successful implementation of the SEP. KPIs should be accounted on a monthly basis.

- Number (per type) of grievances related to local community health, safety and security (injuries, damage, diseases, etc.);
- Number of incidents causing injuries/damage to community member(s);
- Number of incidents off-site that could have caused injuries or loss of life/property to community member(s);
- Number of project training/inductions provided to workers on a monthly basis, number of attendees and number of new employees;
- Number of women employed;
- Number of education and awareness training on reproductive health, STDs and HIV/AIDS provided to women & adolescent girls residing in the project's area of influence;
- Number of awareness training provided to all project workers in regards to SEA/SH risks;
- Number of mandatory regular training and awareness provided to workforce about gender-based violence and harassment towards local community members (including women) and their colleagues especially women; and
- Number of grievances received and resolved in regards to SEA, SH and GBV etc.

All engagement activities will be tracked and reported by Project Company.

## 9 REVIEW

As stated herein, the SEP is a living document that will be utilised in the ESMS throughout the project's lifecycle as a reference document. As such, there is a need to update the SEP as necessary to include any relevant changes such as changes in projects circumstances, new requirements, new affected stakeholders, reviews of techniques, changes to engagement methods, changes of relevant personnel, changes to grievance mechanism, etc. There may also be a need to update the SEP and Grievance Mechanism as part of corrective actions linked to audit, or other findings.

As a minimum, the SEP will be reviewed on an annual basis, with the aim of achieving continual improvement.

## APPENDIX A – EXAMPLE OF GRIEVANCE FORM

<b>GRIEVANCE FORM</b> <i>To be used for grievance(s) only. Shall not be used to raise comments, suggestions, or/and inquires or any other matters</i>	
INSTRUCTIONS	Please fill in this Grievance form in clear handwriting and submit through one of the following means: - Directly to a manager - By email to: TBC - Deposit in a project grievance box at the PIC or Project entrances
Full Name	First Name:
	Last Name:
	<input type="checkbox"/> I wish to raise my grievance anonymously ( <i>You can remain anonymous if you prefer but we will not be able to contact you with a response to your concern</i> )
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: <i>Please provide mailing address:</i>
	<input type="checkbox"/> By telephone:
	<input type="checkbox"/> By email:
Preferred Language of Communication	<input type="checkbox"/> Azeri
	<input type="checkbox"/> English
Description of Incident/Grievance	<i>What happened? Where did it happen? Who did it happen to? What is the result of the problem?</i>
Date of Incident/Grievance	<input type="checkbox"/> One-time incident/grievance (date...)
	<input type="checkbox"/> Happened more than once (how many times?)
	<input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	
Signature:	
Date:	



## APPENDIX B – GRIEVANCE REGISTER TEMPLATE

ID	DATE	NAME OR GRIEVANT	CONTACT DETAILS	PREFERRED LANGUAGE	REQUESTED ANONYMITY?	DESCRIPTION OF THE PROBLEM	RESPONSIBLE PERSON	ACTIONS TO BE UNDERTAKEN	DUE DATE	RESULTS OF THE ACTIONS	CLOSING DATE	EVIDENCE OF CLOSURE

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## APPENDIX C – LIST OF NGOS AND PUBLIC UNIONS

- Members of Public Council of NGOs
- Azerbaijan Ornithological Society
- Environmental Education and Monitoring PU
- Support for innovative education of women and children PU
- Social and political research PU
- Support for Sustainable Tourism Development PU
- Youth Tourism Public Union

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## APPENDIX D – ESIA PUBLIC DISCLOSURE LEAFLET



# AZERBAIJAN 240 MW WIND PROJECTS KEY UPDATES

# ESIA - KEY UPDATES

## Introduction

Azerbaijan 240MW Wind Farm incorporating wind turbines at two sites (Area 1 and Khizi 3) is being developed by ACWA Power. The Project Environmental and Social Impact Assessment (ESIA), which has been prepared over the past 2 years, has been undertaken by 5 Capitals (headquartered in Dubai) in association with local consultant EcoEnergy and Azerbaijani experts in ecology, archaeology and social issues relating to the community and land uses.

The purpose of the meetings is to disclose any updates to the ESIA since it was published on EBRD and ACWA Power websites on 20<sup>th</sup> May 2022. Here are some frequently asked questions.

### **Question 1: What are the key updates made to the Environmental and Social Impact Assessment (ESIA) Studies developed for the project and disclosed during the Public Disclosure meetings held in January 2022?**

The project is seeking project finance from the European Bank for Reconstruction and Development (EBRD). To obtain financing, the ESIA reports have been submitted for review and approval by EBRD. Therefore, the ESIA Reports along with the other environmental and social (E&S) Management Plans have been updated to address feedback and comments received from EBRD and their technical advisors.

Key updates include the following:

#### **a. Environment - Biodiversity:** The following have been updated in ESIA reports:

- (i) A commitment to implement upfront shut down of the turbines when raptors including eagles, vultures and falcons are flying towards a wind turbine (the process is called "Shut-down on Demand").
- (ii) There is also a commitment to stop wind turbines during peak activity when the wind speed is slow (known as "Curtailment" – this will allow data to be collected to analyze the most effective measures to protect bats.
- (iii) Critical Habitat Analysis has been updated in relation to *No Net Loss* and *Net Gain* for qualifying species.

**b. Environment – Batching Plant:** A concrete batching plant may be located at the wind farm if ready mix concrete will not be sourced for the project. Exact location of plant is unknown at this stage however; will be located at a minimum distance of 500 m from any sensitive receptors in line with EBRD requirements. The key impacts, management and monitoring measures to reduce impacts from the operation of the batching plant have been included in the updated ESIA reports. – Across ESIA Report

**c. Environment – Water Assessment:** A quantitative assessment of water demand during the construction phase have been included. A water management plan will be developed for the construction and operational phases of the project which will include management controls to ensure limited impact on water resources used for the project. – Chapter 9 in ESIA

d. **Social - Supply Chain:** A supply chain risk assessment is being undertaken by Envision (wind turbine Supplier) for all suppliers that will be engaged in the Azerbaijan Wind Project. The assessment is to ensure the Project complies with EBRD requirements on supply chain and none of the companies are engaged in human right violations such as forced and child labour in their operations. The preliminary findings of the assessment have been included in the ESIA reports, which showed that none of the suppliers are engaged in child and forced labour violations. A Supply Chain Management Plan will be developed by Project Company to ensure its core suppliers will implement the recommendations from the Supply Chain audit assessment. – Chapter 16

e. **Social – Human Rights:** Human rights impacts have been integrated into the Labour and Working Conditions Chapter of the EISA which includes assessment of forced labour, child labour, and other human rights violations. Also, more information on human rights in Azerbaijan have been included. – Chapter 19 in ESIA

f. **Social – Livelihood Restoration Plan:** The Project will not result in any physical displacement or resettlement of people. The consultations and surveys undertaken as part of the ESIA and LRP have identified project areas are informally used for grazing and herb collection activities. Since the project will only involve economic displacement, a draft Livelihood Restoration Plan (LRP) has been developed for the project which outlines the objectives, principles and planned approach to livelihood restoration and compensation for economic displacement within the two project sites. ESIA have been updated to include the identified potentially affected people (PAP) and their socio-economic profile. – Chapter 16 of ESIA

g. **Social – Overhead Transmission Line (OHTL):** The OHTL is considered an 'Associated Facility' to the Project; as it is not being directly funded under the loan agreement with lenders. Land users along the OHTL have been identified based on a socio-economic survey undertaken by the local consultant. The ESIA assessment has been updated to include the landownership and land use status of the land along the route. A Public Disclosure meeting will also be undertaken to disclosure key information on OHTL and project. – Chapter 16 of ESIA

Azerenergi is the owner/developer of the OHTL, and will comply with national and applicable lenders requirements in order to ensure all E&S risks and impacts associated with the development of the OHTL are adequately assessed.

e. **Regulatory Requirements:** The ESIA studies have been updated to include Asian Development Bank (ADB) E&S requirements as a prospective Lender. – Across ESIA Report

## **Question 2: Where can I find copies of the updated documents?**

The updated Environmental and Social Impact Assessment (ESIA) studies as well as supplementary ESIA package, inclusive of the updated Non-Technical Summary, Stakeholder Engagement Plan (SEP), Draft LRP and the Environmental and Social Action Plan (ESAP) have been disclosed on ACWA Power's and EBRD's websites on 20 May 2022 and can be access using the below links (in both English and Azerbaijani languages):

### **Websites:**

EBRD: <https://www.ebrd.com/work-with-us/projects/esia/azerbaijan-absheronkhizi-wpp.html>

ACWA Power: <https://acwapower.com/en/projects/azerbaijan-wind-ipp/>



**Hardcopies:**

Hard copies are available at the Public Information Centres (PICs) established for the Projects at the following locations:

- Khizi 3 Wind Farm Project - Location of PIC Office: - Sitalchay village, Khizi region, Elekberov Elabbas street
- Area 1 Wind Farm Project - Location of PIC Office: Pirakashkul village of Absheron district, Mamedamin Rasulzade Street

**Question 3: Did the projects obtain the national environmental approval from the Ministry of Ecology and Natural Resources?**

Yes, the Projects have obtained the Environmental approval on 19 May 2022 from the Ministry of Ecology and Natural Resources (MENR). Updates made to the ESIA reports will be shared with MENR.

**Contacts for Feedback**

For any feedback or more information please contact the following:

COMPANY	CONTACT DETAILS
Project Company	ACVA POVER AZERBAYCAN RENEVABLE ENERGY
Grievance Manager/In-Charge	Javid Alifli Phone: M + 994 12 465 99 38 Email: JAlifli@acwapower.com
PIC	Vusal Safarov Phone: +99455 260 08 09 Email: vusal.safarovv@gmail.com
<b>Feedback forms are also available at the PIC offices.</b>	

# Livelihood Restoration Plan (PLAN) - Updates

## **Question 4: What has been updated since the first disclosure of ESIA in January 2022?**

A draft livelihood Restoration Plan (LRP) has been developed for each project which outlines the principles and planned approach to livelihood restoration and compensation to be provided to affected people to ensure no one is worse off. The draft LRP has been disclosed on EBRD and ACWA website as shown above.

## **Question 5: Who owns the land?**

Khizi 3 WF project area: The land is municipality (Sitalchay Municipality) and state owned (Khizi District Executive Power). The total area of land that will be leased by the project is 22.59 ha and this covers the WTG footprints, substation and laydown area. The lease agreement is for 30 years.

Area 1 WF project area: The project area is municipality (Gobustan and Pirekeshkul Municipality) and state owned (Absheron District Executive Power). The total area of land that will be leased by the projects is 14.18 ha. The lease agreement is for 30 years.

The project areas have been assigned to the Ministry of Energy for leasing by a Presidential Order No. 2366 of 2020 and Cabinet of Ministers Order No. 720 of 2020. The Presidential and cabinet of Ministers Orders instruct the government to lease the state/public lands to the 240 MW Wind Projects.

## **Question 6: Who are the potentially affected people (PAP)?**

The project sites are used for grazing and herb collection activities. The activities are informal and not carried out under any formal agreement with the Municipalities or Government. The identified PAPs include:

- Area 1: Project Affected Households (PAHs) from Pirekeshkul Village .
- Khizi 3: Farmers who currently graze at the project site
- The workers (herders) who are engaged by the farmers and household herders to graze livestock at the project site on their behalf (both projects)
- Herb collectors (both projects)

## **Question 7: Have consultations been undertaken with potentially affected people (PAPS)?**

Yes consultations and surveys have been undertaken with PAPs as part of the LRP from April to May 2022. Further consultations will be undertaken to assess suitability of alternative land that will be provided during the construction phase and to disclose the entitlement and compensation packages that will be provided by the Project.

**Question 8: Will the project involve any physical resettlement?**

The Project development will not result in any physical displacement or resettlement of people.

**Question 9: Can project areas be accessed during the construction and operational phases?**

Access to the project areas will be temporarily restricted during the construction phase only for health and safety reasons. Such restriction will be limited to the project footprint (i.e. the turbine pad areas, access road, laydown areas, etc.) and for the duration of the construction period which is 18 months. Therefore, the impact on livelihood is expected to be very minimal and limited to the construction phase only.

**Question 10: Will the project areas be fenced during operation?**

During operation, the site will not be fenced and farmers and herders can access the areas.

# Other Frequently Asked Questions

## **Question 12: Will the project provide job opportunities?**

A Local Recruitment Plan will be developed for the Projects to ensure equal opportunities are provided to men and women from the local communities where possible. Project Company will liaison with the Employment Department of State Employment Agency who has offered to provide trainings required to enhance skill sets required for jobs required for the project.

## **Question 13: Employment- how many jobs will be available during construction-operation- and how they can apply for jobs? When/where?**

Approximately 300 people will be employed by project company, main contractor and subcontractors during construction phase. During operation phase approximately 25-30 people will be hired by project company and its service providers.

All job openings will be published on relevant websites and in Project Information Centres. Also job announcements will be posted in public places in villages.

## **Question 14: Will the project provide social support to the local communities?**

Yes the project will provide social support. The Project Company will consult with the local communities and municipalities to determine and agree the priority projects/ support required by the communities and the company can support with.

## **Question 15: How will the Project engage with the local communities and NGOs and how are complaints addressed?**

The projects have established Public Information Centres (PIC) in the local communities to provide information about the Project to the members of the community, receive grievances and facilitate local recruitment for the Project. The PICs were established on 15 June 2021. The PIC also includes a grievance box, where complaints and feedback can also be received through this box.

The project has zero-tolerance policy to reprisals which will be reflected in the Code of Conduct and company policies once developed. We encourage all stakeholders to express their opinions without fear of retaliation.

## **Question 16: Any additional measures for disclosure to vulnerable groups?**

Copies of the Non-Technical Summaries (NTSs), Stakeholder Engagement Plans (SEPs) and these leaflets have been distributed to vulnerable households in both local communities. Feedback and concerns can be also addressed to the contacts provided above.

# Key project Information – Wind Farms Refresher

## Project Rationale:

Azerbaijan aims to increase the share of alternative and renewable energy sources to 30% by 2030. Wind has been identified as the one of the preferred source of alternative energy with an estimated annual wind power capacity of 800 MW (based on International Energy Agency (IEA)).

## Background to Projects:

ACWA Power signed an implementation agreement with the Ministry of Energy (MoE) in Azerbaijan for developing, building and operating a 240 MW wind power project. The wind project is expected to operate for 25 years on a Build Own Operate (BOO) basis according to the Power Purchase Agreement (PPA).

## Project Locations:

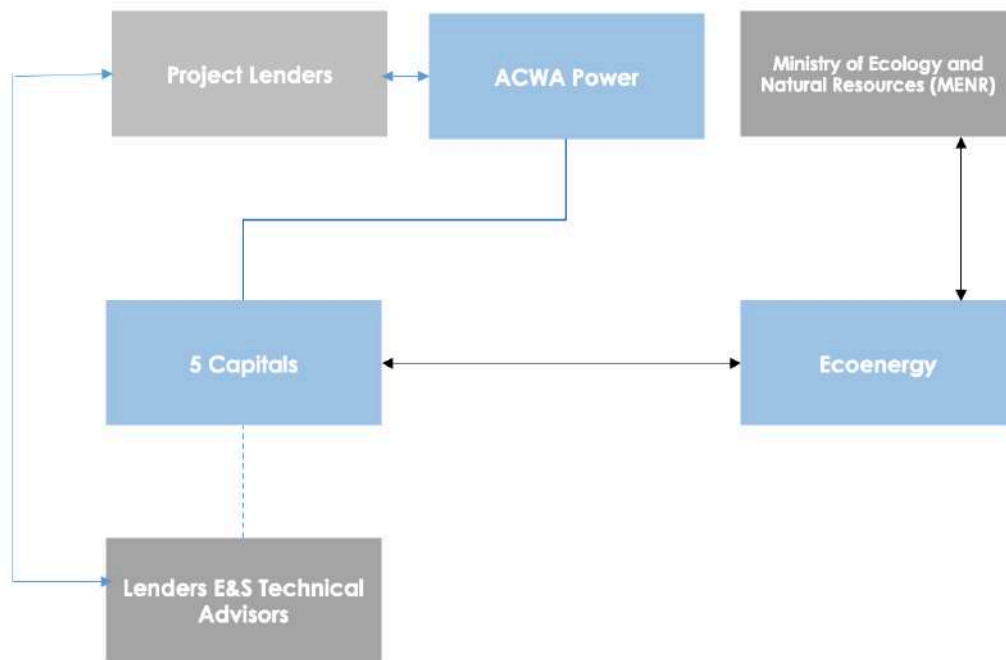
The 240 MW wind project will be split and built on two (2) locations as follows.

- Khizi 3: Capacity up to 162.5 MW and will be generated using 25 x 6.5 MW Wind Turbine Generators (WTG), located in Khizi region; and
- Area 1: Capacity up to 78 MW and will be generated using 12 x 6.5 MW WTGs, located at Absheron region.



## ESIA Team and National Approval

ACWA Power appointed 5 Capitals Environmental & Management Consultancy (5 Capitals) to prepare the ESIA for the Project and they have appointed a local consultant Ecoenergy Ltd to undertake baseline surveys and consultations with the authorities and local communities and to obtain the relevant National regulatory permits. The ESIA's have been submitted to the Ministry of Ecology and Natural Resources (MENR) and have been approved on 19 May 2022.



## Regulatory Compliance

The Environmental and Social Impact Assessment (ESIA) report has been prepared in accordance with the following:

- Azerbaijan national environmental regulations and standards;
- E&S requirements of prospective Lenders which includes the following:
- European Bank for Reconstruction and Development (EBRD) Environmental and Social Policy (2019) and Performance Requirements;
- European Union (EU) Directives (as relevant);
- Japan International Cooperation Agency (JICA) Guidelines for Environmental and Social Considerations (ESC);
- IFC Performance Standards (2012);
- IFC Wind farm Guidelines (2015);
- IFC EHS General Guidelines (2007); and
- Equator Principles IV (2020).

ACWA Power policy, which is to implement IFC E&S requirements on all its projects, including the Khizi 3 Wind Project.



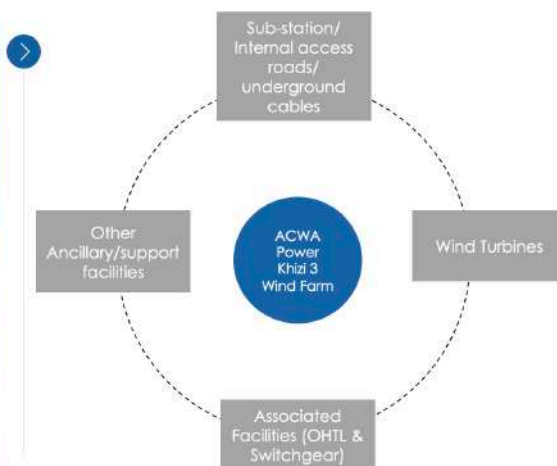
## Project Components:

The Project footprint will include the following:

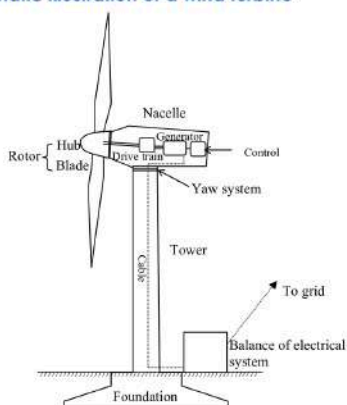
- Wind Turbine Generator (WTG) platforms (this includes foundation and crane pad area);
- Substation and any storage facilities;
- Trenches for underground cables; and
- Access roads.

The proposed WTG for both Wind Farms is the Envision Energy EN-171/6.5 Wind Turbine model. The EN-171/6.5 WTG has a rated power of 6.5 MW, hub height of 100m , 171m rotor diameter, and three (3) blades, horizontal axis, upwind direction, variable speed and pitch control.

Auxiliary facilities for the Project will include site entrance and security building; administration building, offices and amenities; central control room, warehouse and stores, security, lighting; other mobile plant and vehicles; access roads; and electrical connections (underground) and substation.



**Schematic Illustration of a wind turbine**



Source: [https://www.researchgate.net/figure/5-Main-components-of-a-horizontal-axis-wind-turbine\\_fig3\\_235340138](https://www.researchgate.net/figure/5-Main-components-of-a-horizontal-axis-wind-turbine_fig3_235340138)

The basic components of a wind turbine include the following components:

- Blades: The blade is made of glass fibre reinforced polymer (GFRP) and it is equipped with a lightning protection system.
- Pitch system, the pitch bearings are used between the hub and blades to transfer loads from blades to the hub.
- Hub, which is the central point at which the three blades are connected to the nacelle.
- Nacelle, houses the generator and gearbox.
- Brake system, which the primary braking method for the WTG is aerodynamic braking which is realised by three-blade pitch control.
- Tower, main supporting structure of wind turbine.
- Electric System, comprises of generator, convertor, transformer, electrical cabinet, power cable, pitch control, etc.:
  - Generator, which converts mechanical energy into electricity;
  - Converter;
  - Transformer, each wind turbine will be provided with one transformer to connect to the grid

## Associated Facilities

An Overhead Transmission Line (OHTL) will connect both Wind Farms (Khizi 3 and Area 1 WFs) and to the national grid. The responsibility for developing the OHTL lies with Azerenergi Open Joint Stock Company (Azerenergi), the Project off-taker and as such, the OHTL is considered an 'Associated Facility' to the Project; as it is not being directly funded under the loan agreement with lenders.

The OHTL is split into three (3) lines as follows:

- 220 kv Khizi 3 - Yashma OHTL: This OHTL will connect the Khizi 3 WF substation (SS) to the existing Yashma SS and is approximately 20 km long (red line in Figure below) – assessed as part of Khizi 3 ESIA report;
- 220 kv Khizi – Pirakashkul OHTL: The OHTL line that will connect Khizi 3 and Area 1 WFs SS and is approximately 30 km long (yellow line in Figure below) - assessed as part of Khizi 3 and Area 1 ESIA report; and
- 220 kv Pirakashkul – Gobu OHTL: The OHTL line that will connect the Area 1 WF SS to the existing Gobu Power Station and is approximately 30 km long (Green line in Figure below)- assessed as part of Area 1 ESIA report.

