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# Shaki Water and Wastewater Feasibility Study Project

## Stakeholder Engagement Plan

Reference: SEP

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# Glossary of Terms

Abbreviation	Term
ADSEA	Azerbaijan State Water Resources Agency
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
EIA	Environmental Impact Statement
ESAA	Environmental & Social Audit and Assessment
ESAP	Environmental and Social Action Plan
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESP	Environmental and Social Policy
GFP	Grievance Focal Person
GM	Grievance Mechanism
IDP	Internally Displaced Person
IESC	International Environmental and Social Consultant
KfW	German Development Bank, Kreditanstalt für Wiederaufbau
km	Kilometre
MENR	Ministry of Ecology and Natural Resources
MES	Ministry of Emergency Situations
MLSPP	Ministry of Labour and Social Protection of the Population
m <sup>3</sup>	Cubic metre
NTS	Non-Technical Summary
PIU	Project Implementation Unit
PR	Performance Requirement
RPF	Resettlement Policy Framework
SEP	Stakeholder Engagement Plan
UNECE	United Nations Economic Commission for Europe
WWTP	Wastewater Treatment Plant

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# 1. Introduction

The European Bank for Reconstruction and Development (“EBRD” or “the Bank” is considering a loan (“the Loan”) to the Government of Azerbaijan (the “Borrower”) for the benefit of the Shaki city, to complete the reconstruction works for the water supply, sanitation, stormwater management system and wastewater treatment infrastructure that were started under the “Open Communal Infrastructure Program II” by the Government of Azerbaijan in partnership with the German Development Bank- Kreditanstalt für Wiederaufbau (KfW) (“the Project”). This document is a Stakeholder Engagement Plan (SEP) prepared for the Azerbaijan State Water Resources Agency (the “ADSEA” or the “Client”), the central authority overseeing the management and governance of water resources in Azerbaijan and will be the main counterpart and act as the Implementing Entity of the Project.

The SEP provides an overview of relevant national legislation, European Bank for Reconstruction and Development (EBRD) Environmental and Social Policy (2024), Azerbaijan legislation and international good practice related to information disclosure and outlines the general approach to stakeholder engagement and public consultation. It identifies relevant stakeholders, defines communication channels and plans regarding the Project. The document also includes a Grievance Mechanism (GM) for stakeholders to raise their concerns about the Project

The SEP is a live document so it should be reviewed and updated periodically and in line with new activities, changes in Project design and newly identified stakeholders.

This document is part of the disclosure package developed for this Project: which consists of the Non-Technical Summary (NTS), Environmental & Social Audit and Assessment (ESAA) Report, Environmental and Social Action Plan (ESAP), SEP, and Resettlement Policy Framework (RPF).

## 1.1 Project Description

Shaki, a historic city in northwestern Azerbaijan, has a population of approximately 67,800. Known for its silk production and textile manufacturing, the city also relies heavily on agriculture and livestock as key components of its economy.

In 2010, under the "Open Communal Infrastructure Program II," (“the Program”) the Government of Azerbaijan partnered with the KfW to initiate a large-scale project aimed at reconstructing Shaki's water supply and sewage systems under the supervision of the international consultant Dornier. In 2019 the Government of Azerbaijan took over funding for the Program. Since 2010 progress has been made in the implementation of the Program. However, only 44% of the Program works have been completed at the time and the objective of this current Project is to fully complete the Program through the following components:

The project will include the following elements:

- Construction of 102.7 km of drinking water supply lines, 148.3 km of wastewater network, 48.7 km of stormwater infrastructure, in Shaki. The drinking water network will include installation of a SCADA system for the water supply system and the construction of three reservoirs in Shaki with a total volume of 5,750 m<sup>3</sup>
- Completion of the construction of the Shaki biological wastewater treatment plant (WWTP) with a capacity of 16,000 m<sup>3</sup>/day. Sludge drying and temporary storage facility for dry sludge will be designed and constructed at the WWTP site with a capacity to manage the sludge for at least 5 years. A 0.8 MWp PV system will be designed and installed at the WWTP to provide part of the energy needs of the WWTP.
- Design and construction of 146.3 km of water network and 151.2 km of wastewater network at the villages of Kish, Okhud, and Gokhmud. Three pumping stations for water network, three pumping stations for wastewater network, one chlorination station and six reservoirs with total volume of 12,500 m<sup>3</sup> will be constructed in the villages,
- Additionally, maintenance machinery and equipment will be bought to facilitate efficient operation and maintenance of the networks built.

## 1.2 Objectives of SEP

The SEP summarizes the methods, procedures, policies and activities that will be implemented by the Client, to inform stakeholders in an inclusive, understandable, accessible and timely manner about the potential impacts of the Project. The public will be able to access this SEP on the websites of ADSEA ( [adsea.gov.az](http://adsea.gov.az)) and EBRD (<https://www.ebrd.com>), in English and Azerbaijani.

Stakeholder engagement and consultation aims to inform and improve Project decision-making and build understanding by actively involving interested individuals, groups and organizations, and helps to identify and involve all potentially affected groups and individuals, generate a good understanding of the Project, identify issues early in the Project cycle that may pose a risk to the Project or its stakeholders, and ensure appropriate mitigation . The SEP will ensure that stakeholders are engaged throughout the project lifecycle.

The objectives of stakeholder engagement within the context of the Project are:

- To identify the main stakeholders of the project and their potential concerns;
- To inform the identified stakeholders about the project and its proposed activities through appropriate engagement channels;
- To provide the opportunity for identified stakeholders to participate in the process of Project preparation and implementation.
- To identify environmental and social impacts/concerns which are considered to be of key relevance to the project through a process of information disclosure and meaningful consultation as per EBRD's requirements;
- To ensure that the identified stakeholders are appropriately engaged on issues that potentially affect them in addition to managing the Grievance Mechanism that will be adopted by the Client within the Project;
- To establish and maintain an ongoing relationship with the communities affected (positively or negatively) by the project;
- To establish, maintain, and improve the employment relationships, and ensure that the workers grievance mechanism is accessible, and workers/employees concerns are addressed in a timely manner, in accordance with Azerbaijani legislation and EBRD Performance Requirement 2.

## 2. Consultation and Disclosure Regulatory and Administrative Framework

### 2.1 National Legislation on Consultation and Stakeholder engagement

The national legislation of Azerbaijan encompasses several requirements on public participation, consultation, grievance management and information dissemination. These requirements have been stipulated in both environmental and social legislative acts, as well as general laws on disseminating and obtaining information. Relevant legislation and requirements are included below:

- **Right to civil participation** has a basis in the Constitution of Azerbaijan. Article 54.1 establishes the “right of citizens of the Republic of Azerbaijan to participate in the political and civic life without impediments”.
- Article 3.2.6 of the law on “**Environmental Impact Assessment (EIA)**” (2018) stipulates ensuring transparency, informing public and stakeholders and consideration of public participation in project design and implementation. Article 4.10 requires conducting public meetings and stakeholder consultation and ensuring proper dissemination of the information to the public and Article 5.3.13 requires disclosure of information about public consultations in final EIA document.
- The **Resolution of the Cabinet of Ministers of the Republic of Azerbaijan (October 2, 2019)** on the approval of the "Rules for environmental impact assessment and control in the field of strategic environmental assessment" states (Article 1.5) that public control in the field of environmental impact assessment is organized and implemented through public hearings and public discussions at the initiative of individuals and civil society institutions in accordance with the requirements of the laws of the Republic of Azerbaijan “On Public Participation”, “On Environmental Protection” and “On Environmental Impact Assessment”.
- Moreover, “**Law on Land Acquisition**” (2020) defines criteria for conducting public consultations, grievance management and official information to be disseminated. The Chapter IX states that a Grievance Redress Commission is established if the Relevant Executive Authority considers necessary. The Law also stipulates requirements for an official notice (Article 12) to public and conducting public consultation (Article 15) at relevant communities.
- The **Law of the Republic of Azerbaijan “On the right to obtain information” (dated 30 September 2005)** establishes the legal framework for ensuring free, unrestricted and equal information access as prescribed by Article 50 of the Constitution of the Azerbaijan Republic based on open society and democratic law-governed state principles, as well as to create conditions for control by citizens on the exercising of public duties. Any person is entitled to apply directly or via his (her) representative to the information owner and to choose the type and form for obtaining the information. Any person applying for the information to its owner is entitled to the following: to inquire on availability of the required information from the information owner, to get supporting details for obtaining the missing information; to obtain the requested information freely, on an unrestricted and equal basis, in case the information owner possesses it. Individuals are entitled to get easily familiarized with the documented information on themselves, obtain and require adjustments to it as well as to inquire on by which persons and for which purposes such information is being utilized.
- The **Law of the Republic of Azerbaijan “on public participation” (№ 816-IVQ, 22 November 2013)** envisions several types of consultations, including public discussions and public discussions of draft laws, public hearings, studying of public opinion, and written consultations. Furthermore, there is a decision of Cabinet of Ministers on “rules for conducting public discussions and public hearings of draft legal acts prepared by central and local executive bodies and local self-government bodies”. Public discussion is defined as “a meeting organized with the participation of authorized representatives of relevant state bodies and local self-government bodies, representatives of civil society institutions, individuals, professionals and experts to prepare proposals from various sectors of society on relevant issues during decision-making of public significance”; and public hearing as “a meeting organized with the participation of authorized representatives of relevant state bodies and local self-government bodies,

representatives of civil society institutions, individuals, specialists and experts for conducting public consultations and informing citizens about draft legal acts, certain issues of state and public life” (Article 1.0.4 and 1.0.5., Law on participation). There is no obligation on behalf of the government to conduct public discussions or hearings. State bodies and local self-government bodies, civil society institutions, public councils and individual citizens may initiate hearings or discussions. In the organization of a public hearing and discussion the “precise definition of the purpose and topic” must be ensured, interested parties must be informed about the purpose and the topic of the discussion, “experts and specialists” must be involved, an “independent and extensive analysis of the problem” ensured, and “when necessary, alternative drafts and proposals” submitted. Participation “of authorized representatives of state bodies and local self-government bodies, relevant to the topic of the hearing and discussion” must be secured. Organizer of a public discussion or hearing clarifies and approves its topic, determines the themes of main reports and speakers, prepares a draft agenda, determines its place, time and duration, determines the principles of selection and the form of invitation of participants, and invites them. Organizer, furthermore, prepares explanatory information for the media and the public and places such information at a publicly available place. Organizer also prepares the initial draft of the final documents of the hearing and discussion. Announcement of public hearings and public discussions must also be posted on the initiator's website or in the media at least 7 working days prior to the event with the indication of the exact time and venue.

- **The Law of the Republic of Azerbaijan “On the procedure for considering appeals of citizens” (No 1308-IVQ dated 30 September, 2015)** regulates the relationships concerning the realization of the right of citizens to apply for state bodies, local municipal bodies, setting the general concepts of the law, general principles of consideration of applications of citizens; defines the sphere of implementation of this law; specifies the requirements to applying citizens; sets the procedure of admission, registration and consideration of applications; deals with the peculiarities of considering application concerning violations of law, corruption; establishes the obligations of officials dealing with applications; rights of applying citizens; introduces peculiarities of oral (not written) application via media or phone.

Furthermore, the Government of Azerbaijan ratified UNECE Aarhus Convention in 2000 and took the obligation to guarantee the rights of access to information, public participation in decision-making and access to justice in environmental matters.

## **2.2 EBRD Performance Requirements on Stakeholder Engagement**

The EBRD recognizes the importance of an open and transparent engagement between the client, its workers, worker representatives, local communities and persons affected by the project and, where appropriate, other project stakeholders as an essential element of good international practice and corporate citizenship. The EBRD Environmental and Social Performance Requirement (PR) 10: Stakeholder Engagement considers stakeholder engagement as an essential pillar to build strong, constructive, and responsive relationships which are necessary for the successful management of a project's environmental and social risks and impact.

As a result, the implementation of the proposed Project should comply with the EBRD policies and the above-mentioned Azerbaijani laws and regulations. Stakeholder engagement will be an ongoing process throughout the project, in order to ensure transparency with all stakeholders that may be affected by, or have influence on, the project.

The relevant standards and guidelines within the context of the proposed project include, but are not limited to, the following:

1. EBRD’s 2019 Environmental and Social Policy (ESP) particularly the following Performance Requirements (PRs):
  - PR1: Assessment and Management of Environmental and Social Risks and Impacts;
  - PR10: Information Disclosure and Stakeholder Engagement.
2. EBRD’s Grievance Management Guidance Note (2012);
3. Guidance Note on Employee Grievance Mechanism (2023);

4. EBRD's commitment to disclosing project information as set out in the EBRD's Access to Information Policy (2024);
5. Meaningful Stakeholder Engagement (A Joint Publication of the Multilateral Financial Institutions Group on Environmental and Social Standards (2019)).

In order to fulfil EBRD's requirements, it is recommended that the Client follows a stakeholder engagement process to provide stakeholders with access to timely, relevant and understandable information, and to identify relevant internal and external stakeholders and engage them throughout the project to ensure effective communication. This stakeholder engagement plan is designed to be proportionate to the nature and scale of the project and its potential impacts and shall take identified stakeholders into consideration during decision making process and future planning, based on clearly defined roles and responsibilities.

### **2.3 Good International Practice**

The key principles of inclusive and effective engagement for a Project are summarised as follows:

- Providing meaningful information in a format and language that is readily understandable and tailored to the needs of the target stakeholder group(s);
- Providing information in advance of consultation activities and decision-making;
- Providing information in ways and locations that make it easy for stakeholders to access it and that are culturally appropriate;
- Respect for local traditions, language, timeframes and decision-making processes;
- Two-way dialogue that gives both sides the opportunity to exchange views and information, to listen, and to have their issues heard and addressed;
- Inclusiveness in representation of views, including people from different age groups, gender, vulnerability and/or underrepresented/minority groups;
- Processes free from retaliation, intimidation, coercion or incentivization, protecting the privacy and safety of stakeholders;
- Clear mechanisms for responding to people's concerns, suggestions and grievances.

### 3. Stakeholder Identification and Analysis

The Client is expected to identify and engage with stakeholders as an integral part of their overall environmental and social management system (ESMS), the project's environmental and social assessment process and the environmental and social management plan (ESMP).

The purpose of stakeholder identification is to identify and prioritise the Project stakeholders for consultation. Stakeholder identification is an ongoing process, and thus key stakeholders will continue to be identified during different stages of the Project.

Stakeholder mapping is a process of examining the relative influence that different individuals and groups have over a project as well as the influence of the project over them.

As a result of the stakeholder mapping, Project stakeholders are categorised into two main categories:

- **Affected parties:** These are individuals, groups (or their legitimate representatives) or organizations which are affected or likely to be affected (directly or indirectly) by the project; and
- **Other interested parties:** These stakeholders are those parties which may have an interest in the project, but are not affected (directly or indirectly) by the Project.

The Environmental and Social Audit and Assessment revealed that the Project's adverse impacts are insignificant and can be defined as moderate to low. The identified key risks can be readily addressed through mitigation measures. Therefore, consultation and information sharing methods would be sufficient as long as the risks are handled properly by the Client. However, the type of method to be employed is determined based on stakeholder assessment, especially through interest and influence scale.

Primary stakeholders and those who have high power and interest over the Project will be engaged through consultations. The stakeholders will be consulted through an active two-way process of engagement and dialogue. Information shall be shared with relevant stakeholders, generally on a disaggregated basis reflecting local context, and stakeholder views should be captured, documented, and considered.

Other interested parties, and who have low interest and power on the Project, will be informed through information sharing platforms. For example, public disclosure of key documents at different stages of the project cycle will be conducted. Provided this is done in a transparent and accessible manner, and there is a way for members of the public to request additional information or to convey their concerns and recommendations, this may be sufficient as the main form of engagement in low-risk circumstances.

Particularly, the Project's ongoing engagement with stakeholders will be done mainly through:

- Information disclosure on the website ([ADSEA - Azerbaijani National Water Resources Agency](#));
- Information disclosure through social media platforms:
  - Instagram – [@adesa.gov.az](#);
  - Facebook – Azərbaycan Dövlət Su Ehtiyatları Agentliyi;
  - YouTube – [https://www.youtube.com/@adsea\\_gov\\_az](https://www.youtube.com/@adsea_gov_az);
- Public consultations;
- Announcement in the media (newspaper, radio, TV);
- Brochures, posters, and informative leaflets;
- Ongoing engagement during routine operations, directly and in coordination with the responsible Government organizations;
- External feedback and grievance mechanism;
- Regular reports to EBRD;

- Development and disclosure of a Stakeholder Engagement Plan.

The stakeholder engagement and grievance redress processes for the Project will be based on the following criteria, in order to be considered meaningful:

- The stakeholder consultation process should start in the earliest phase of the Project and should be ongoing and iterative throughout the project cycle, in accordance with the mitigation hierarchy;
- Should include different categories of stakeholder (individuals and groups, as well as formal and informal local institutions);
- It should be equitable, non-discriminatory and gender responsive, and ensure that women, the poor, the elderly and other vulnerable groups (as defined in EBRD ESP 2024, see Section 3.1) and underrepresented groups among stakeholders are able to effectively participate, and are not disproportionately impacted by the project;
- Sufficient resources (budget, staffing and capacity) should be allocated;
- The engagement process should be transparent and based on factual information, including the scope of consultation and ability of stakeholders to influence project decisions;
- Stakeholders should have prior information about relevant aspects of the project, in a language, format, and manner that is culturally appropriate, clear, and accessible;
- Consultation events should be respectful and free of intimidation and coercion. Stakeholders who express concerns or criticism against the project or authorities should be protected from retaliation or retribution;
- Protection of personal data and stakeholder privacy/confidentiality will be ensured throughout the stakeholder engagement process;
- Consultation process should also be respectful of participants' time by avoiding consultation for consultation's own sake, or excessive discussions that do not lead to clear outcomes or that may lead to unrealistic expectations;
- The process should be systematically documented, and relevant aspects of it should be disclosed publicly.

Therefore, this SEP has been developed to address community concerns with regards to key environmental and social risks through implementation of the stakeholder consultation and information disclosure activities.

Key stakeholders identified are presented in Table 1.

**Table 1: Key Project Stakeholders**

No	Name and Organisation	Stakeholder category	Key approach	Means of Engagement and communication
1	Azerbaijan State Water Resources Agency (headquarter)	Government Agency	<ul style="list-style-type: none"> <li>• Policy development and oversight</li> <li>• Ensure alignment with national water policies</li> <li>• Secure regulatory approvals</li> </ul>	<ul style="list-style-type: none"> <li>• High-level consultations</li> <li>• Formal reports</li> </ul>
2	Regional Water Melioration Services PLE	Government Agency	<ul style="list-style-type: none"> <li>• Keep informed through regular progress briefings</li> <li>• Training sessions on Environmental and Social requirements during the Operation phase</li> </ul>	<ul style="list-style-type: none"> <li>• Regular progress briefings</li> <li>• Training materials.</li> </ul>
3	Directorate for the Facilities under Construction PLE	Government Agency	<ul style="list-style-type: none"> <li>• Infrastructure oversight; Oversee construction compliance &amp; quality control</li> </ul>	<ul style="list-style-type: none"> <li>• Construction progress meetings</li> <li>• Field investigations</li> <li>• Risk assessment workshops</li> </ul>

No	Name and Organisation	Stakeholder category	Key approach	Means of Engagement and communication
4	Water and Melioration Scientific-research Institute PLE	Government Agency	<ul style="list-style-type: none"> <li>Research and innovation; Incorporate research-based solutions for sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Research collaboration</li> <li>Data-sharing agreements</li> <li>Feasibility study reviews</li> </ul>
5	State Supervision Service for Water Use and Protection	Government Agency	<ul style="list-style-type: none"> <li>Keep informed;</li> <li>Ensure environmental &amp; regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance audits</li> <li>Regulatory briefings</li> </ul>
6	Water and Melioration Facilities Design Institute PLE	Government Agency	<ul style="list-style-type: none"> <li>Design and engineering support</li> </ul>	<ul style="list-style-type: none"> <li>Design review workshops</li> <li>Technical consultations</li> </ul>
7	Shaki Executive Power	Government Agency	<ul style="list-style-type: none"> <li>Facilitate permits, land access, and local coordination</li> </ul>	<ul style="list-style-type: none"> <li>Public-private partnership meetings</li> <li>Municipal coordination</li> <li>Local policy alignment</li> <li>Grievance redressal mechanisms</li> </ul>
8	Local Municipalities (Shaki city municipality, Okhud municipality, Kish municipality, Gokhmukh municipality)	Municipality	<ul style="list-style-type: none"> <li>Cooperation for consultations, permits and land access</li> </ul>	<ul style="list-style-type: none"> <li>Information meetings,</li> <li>Joint consultation with project affected parties</li> </ul>
9	Civil Society Organisations (CSOs)	Non-Governmental Organizations	<ul style="list-style-type: none"> <li>Advocacy and community engagement</li> </ul>	<ul style="list-style-type: none"> <li>CSOs</li> <li>Public forums</li> <li>Transparency reports</li> <li>Participatory monitoring</li> <li>Awareness campaigns</li> <li>Feedback sessions</li> </ul>
10	Local communities (Shaki city residents, residents of Kish, Gokhmukh, and Okhud villages)	Community representatives	<ul style="list-style-type: none"> <li>Community involvement and awareness</li> </ul>	<ul style="list-style-type: none"> <li>Community meetings, surveys, focus groups, grievance mechanisms, project information centers, social media updates</li> </ul>
11	“Yukhari Bash” National Historical - Architectural Reserve (Azerbaijan State Tourism Agency)	Government Agency	<ul style="list-style-type: none"> <li>Ensure compliance with cultural preservation laws</li> <li>Protect cultural heritage during construction</li> </ul>	<ul style="list-style-type: none"> <li>Cultural impact assessments, heritage preservation discussions, site-specific mitigation planning</li> </ul>
12	Kish Historical-Architectural Reserve	Government Agency	<ul style="list-style-type: none"> <li>Ensure compliance with cultural preservation laws</li> <li>Protect cultural heritage during construction</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder consultations</li> <li>Archaeological impact studies</li> <li>Coordination on construction near heritage sites</li> </ul>
13	Shaki-Zagatala Regional Department of Culture (Ministry of Culture of Republic of Azerbaijan)	Government Agency	<ul style="list-style-type: none"> <li>Ensure compliance with cultural preservation laws</li> <li>Protect cultural heritage during construction</li> </ul>	<ul style="list-style-type: none"> <li>Permitting consultations,</li> <li>Cultural heritage impact reviews</li> <li>Joint site assessments</li> </ul>
14	Project workers	Private Sector	<ul style="list-style-type: none"> <li>Ensure safety, labor rights, and fair working conditions</li> </ul>	<ul style="list-style-type: none"> <li>Safety briefings</li> <li>Labor union consultations (if applicable),</li> <li>Worker feedback sessions,</li> <li>Training programs</li> </ul>

### 3.1 Potentially Vulnerable / Disadvantaged Stakeholders

According to EBRD's Environmental and Social Policy 2019, vulnerable people are defined as

*“People or groups of people who:*

- may be more adversely affected by project impacts than others by virtue of characteristics such as their gender, gender identity, sexual orientation, religion, ethnicity, indigenous status, age (including children, youths and the elderly), physical or mental disability, literacy, political views, or social status.*
- Vulnerable individuals and/or groups may also include, but are not limited to, people in vulnerable situations, such as people living below the poverty line, the landless, single-headed households, natural resource dependent communities, migrant workers, refugees, internally displaced people, or other displaced persons who may not be protected through national legislation and/or public international law.”*

EBRD requires its clients to identify vulnerable people or groups who may be affected by the Project and either establish an alternative to avoid adverse impact or develop and implement mitigation measures so that vulnerable people are not disproportionately impacted and furthermore can equally enjoy the positive project outcomes and benefits.

Regarding identification of vulnerable groups, the Regional Water Amelioration Service informed the Consultant on site that the Chelebikhan settlement, which falls within the project boundaries, is an Internally Displaced Person (IDP) settlement. Further clarification is necessary and will be sought in the next phase of the project. Targeted meetings should be held with women, the youth, unemployed, and low-income families; women support active and inclusive engagement with project-affected parties, including disadvantaged or vulnerable groups. Focus group discussions should be held with women groups to identify women-related perceived impacts and benefits.

All the parties undertaking the Project (Project Owner, Consultant, Contractors and Sub-Contractors, etc.) should make sure their representatives understand who the vulnerable or disadvantaged individuals or groups may be to adapt their communication approaches and the Project design and planning accordingly.

This section will be updated once the identification of vulnerable people has been completed.

## 4. Existing and Previous Stakeholder Engagement Activities

The Consultant understands that no previous stakeholder engagement was performed for the Project before its involvement. Information on existing and previous stakeholder engagement activities conducted, separate from any engagement performed by the Consultant as part of its role, is not available.

Engagement performed by the Consultant includes discussions with the following stakeholders on site:

- Mayor of Shaki
- Shaki Water and Sanitation Office
- Local office of the National Tourism Agency
- ADSEA
- EBRD

## 5. Legally Required Stakeholder Engagement

As per Azerbaijan law, certain stakeholder engagement is required in order to undertake the Project.

### 5.1 Legal requirements from land acquisition and social legislation

In accordance with the Law on Land Acquisition for State Needs of the Republic of Azerbaijan stakeholder engagement for the project will be conducted through a structured and transparent process. Notification of the land acquisition proposal will be formally announced by the acquiring authority, accompanied by detailed information including project rationale, affected areas, and planned public meetings. These announcements will be posted on official municipal boards, government offices, and in visible locations near the project area, as well as disseminated through media outlets to ensure broad reach (Article 12). Affected individuals and entities will also receive direct notifications of the acquisition details to guarantee personal access to critical information (Article 13).

To ensure public access to information, all relevant documents, including topographic maps and explanatory materials, will be made publicly available prior to engagement activities. Public Consultations will be held in the areas affected by the acquisition, ensuring the participation of residents, landowners, and other stakeholders. Separate hearings will be arranged for each administrative unit impacted. These sessions will be structured to inform stakeholders about the project scope, compensation mechanisms, resettlement procedures, grievance channels, and to hear public objections, proposals, or alternative suggestions (Article 15 & 16).

All consultations will be scheduled and announced in advance, ensuring timely participation and inclusiveness. Full documentation of meetings—including attendance sheets, minutes of meetings, photographs, and feedback records—will be maintained and submitted to relevant authorities (Article 17).

Stakeholder inputs and comments will be documented, analyzed, and incorporated into final decisions wherever feasible, with specific attention to resettlement preferences and compensation concerns raised during the process (Article 41).

The final decision on the approved resettlement plan or land acquisition outcome will be publicly shared through official channels and direct communication. A grievance redress mechanism, including a dedicated Complaints Review Commission, will be operational throughout the process to address disputes transparently and equitably. Stakeholders will retain the right to escalate complaints to supervisory authorities or courts if needed (Article 75).

### 5.2 Legal requirements from environmental legislation

It is expected that certain elements of the Project will need to undergo the national EIA process.

As part of this legally established process, public consultation is required. According to the Law of the Republic of Azerbaijan “On Environmental Impact Assessment” No. 1163-IVQ dated June 12, 2018, the EIA process includes mandatory public participation to ensure transparency and public involvement in environmental decision-making.

As per this Law, the process is as follows:

- **Notification and Disclosure**

The project proponent must submit a notification to the competent authority (typically the Ministry of Ecology and Natural Resources or MENR), which includes basic project information and potential environmental impacts. This initiates the screening and scoping phase.

- **Public Access to Information**

The public must be given access to key documents, such as the Environmental Impact Statement (EIS), at designated locations (e.g., local government offices or online platforms), with enough time to review before consultations occur.

- **Public Consultation and Hearings**

The law requires at least one public consultation to be held in the area affected by the project. This public hearing must be organized in coordination with local executive authorities and is intended to gather feedback, questions, and concerns from affected communities and stakeholders.

- **Timing and Documentation**

Public participation must occur early enough in the EIA process to allow meaningful input. Minutes of the public hearing(s), written comments, and responses must be documented and submitted along with the final EIA report.

- **Consideration of Comments**

All comments and concerns raised during the consultation process must be considered in the final decision-making. The competent authority may require the developer to revise the EIA documentation to reflect stakeholder input.

- **Final Decision and Disclosure**

Once the EIA is reviewed and a decision is made, the outcomes (including justification and any conditions) must be made publicly available.

## 6. Stakeholder Engagement Programme

### 6.1 Engagement Programme and Tools

Various tools will be used to maximize the effectiveness of the Stakeholder Engagement Programme. The tools outlined in Table 2 will be used across the different stages of the Project, benefitting from updates of the contents and messages as the Project progresses. The SEP will be updated based on the latest project related information.

**Table 2: Tools used to maximise the effectiveness of the Stakeholder Engagement Programme**

Tool	Description
Project NTS, ESAP and SEP	<ul style="list-style-type: none"> <li>The Project NTS, ESAP and SEP, prepared as part of the environmental and social review package will be translated into Azerbaijani and made accessible online and in hard copy at the Client's office, to all interested stakeholders.</li> </ul>
Notice Boards	<ul style="list-style-type: none"> <li>Notice boards will be erected at the main street (worksites) and at other agreed locations in the area impacted by the Project.</li> <li>Project information should be available in Azerbaijani.</li> <li>The noticeboard will serve as an information dissemination tool. For example, the Project team will be able to display contact details and grievance mechanism, construction updates, road closures, safety instructions, and heavy traffic movement information.</li> </ul>
Public Consultations	<ul style="list-style-type: none"> <li>Prior to the start of construction/installation, the Client will conduct public consultations and will share project related data and get feedback on social and environmental risks and impacts, as well as mitigation measures.</li> </ul>
Leaflets	<ul style="list-style-type: none"> <li>Project information leaflets will be created and distributed at the kick-off meeting to inform on the locations of construction/installation works, expected routes for transport of the material/equipment, timeline for construction/installation, details about the contractors, contact details of Grievance Focal Person(s), etc.</li> </ul>
Regular Internal Reporting	<ul style="list-style-type: none"> <li>The Client will prepare regular reports to EBRD. These reports will include a summary of stakeholder engagement activities and all grievances received in the reporting period, any material deviations or non-compliances to the requirements of this SEP, planned activities for the next reporting period and any other issues of potential.</li> </ul>
External Reporting (to stakeholders)	<ul style="list-style-type: none"> <li>The Client will provide Project updates to different stakeholder groups at agreed timelines.</li> </ul>
Stakeholder Dialogue log	<ul style="list-style-type: none"> <li>The Client (designated person) will maintain a Stakeholder Dialogue Log to plan, record and track engagements.</li> </ul>

Stakeholders will be engaged as early as possible and will continue the engagement throughout the planning, implementation and until the project is finished. The nature and frequency of follow up consultations will be different depending on the Project activities.

Before Project commencement, all affected parties will be informed about the Project's scope and contact information which they can address for further information. They also will be informed about the availability of the publicly available information on ADSEA's website and/or social media platform/s as well as on the Shaki city website, social media platform/s, and/or information boards.

The Stakeholder Engagement Programme for the Project is detailed in Table 3 below.

**Table 3: Stakeholder Engagement Programme**

Engagement activity / topic	Target Stakeholders	Purpose / Description	Timing / frequency	Responsibility
<b>General aspects</b>				
Project information disclosure package is published online on the ADSEA website.	All stakeholders	Provide constant and timely information and updates about the project stage, expected	<ul style="list-style-type: none"> <li>One time during project preparation stage</li> <li>Based on needs during construction/installation</li> </ul>	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>Project Implementation Unit (PIU)</li> </ul>

Engagement activity / topic	Target Stakeholders	Purpose / Description	Timing / frequency	Responsibility
		results, safety instructions etc.	stage, but not less than once per month	
Information on Social Media	All stakeholders	<ul style="list-style-type: none"> <li>Press release</li> <li>Social media platforms of the Client</li> </ul>	<ul style="list-style-type: none"> <li>Based on needs and when important decisions or key project milestones are achieved.</li> <li>Also 1 week before closures of important roads/access points</li> </ul>	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>PIU</li> </ul>
Grievance mechanism	All stakeholders	<ul style="list-style-type: none"> <li>Submission of grievances</li> <li>Suggestions /complaints</li> </ul>	<ul style="list-style-type: none"> <li>Project Implementation Phase (Construction and Operations)</li> </ul>	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>PIU</li> </ul>
Public consultation	All stakeholders	<ul style="list-style-type: none"> <li>Information sharing</li> <li>Grievance Mechanism explanation</li> <li>Explanation of the Project's positive and adverse social and negative impacts</li> <li>Q&amp;A to allow stakeholders to ask questions or express concerns</li> </ul>	<ul style="list-style-type: none"> <li>Before start of construction</li> <li>During construction</li> </ul>	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>PIU</li> </ul>
<b>Official coordination and documentation</b>				
Traffic management in Shaki streets	Traffic Police Department	<ul style="list-style-type: none"> <li>Agreeing upon traffic management plan</li> <li>coordination of road closure and limitation activities</li> <li>joint announcements in mass media and notice boards</li> <li>road safety instructions</li> </ul>	Starts during project preparation and continuous throughout the Project life	<ul style="list-style-type: none"> <li>Client</li> <li>Contractor</li> </ul>
Preparation and Approval of Environmental documents	Ministry of Ecology and Natural Resources (MENR)	<ul style="list-style-type: none"> <li>Official submission of Environmental documents (for Environmental categorization) and further proceedings</li> <li>Agreeing upon Hazardous material management</li> </ul>	During Project Preparation	<ul style="list-style-type: none"> <li>Client</li> <li>Contractor</li> </ul>
<b>Beneficiaries/Affected parties/other aspects</b>				
Public engagement and information sharing	<p>Local community</p> <p>Roadside business owners</p> <p>Vulnerable groups (including school children, elderly,</p>	<ul style="list-style-type: none"> <li>Satisfaction with engagement activities</li> <li>Grievance mechanism process</li> <li>Health and safety measures</li> </ul>	Continuously during Project Implementation	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>PIU</li> <li>Contractor</li> </ul>

Engagement activity / topic	Target Stakeholders	Purpose / Description	Timing / frequency	Responsibility
	persons with disabilities	<ul style="list-style-type: none"> <li>Traffic safety measures (traffic signs, lights, traffic calming measures, etc.)</li> </ul>		
Information dissemination, Participation in Project Implementation	Shaki city, Kish, Okhud, and Gokhmukh villages	<ul style="list-style-type: none"> <li>Grievance Mechanism</li> <li>Traffic Safety Measures</li> <li>Public Consultations</li> <li>Information Dissemination</li> </ul>	Continuously during Project Implementation	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>PIU</li> </ul>
Project implementation	Other Interested Parties (Supervision Consultants; Contractor, sub-contractors, service providers)	<ul style="list-style-type: none"> <li>Project information</li> <li>Scope, rationale and E&amp;S Principles</li> <li>Training on E&amp;S and other sub-management plans</li> <li>Grievance mechanism process</li> <li>Occupational safety measures</li> </ul>	Continuously during Project Implementation	<ul style="list-style-type: none"> <li>Client (Assigned staff)</li> <li>PIU</li> </ul>

## 6.2 Implementation Arrangements, Roles and Responsibilities

The project will be implemented by the Client. A Project Implementation Unit (PIU) will be established, which will be responsible for the day-to-day project management, including environmental and social management and addressing potential environmental and social risks. The PIU will be responsible for engaging with the stakeholders. Once the project is effective, safeguard specialists (including social specialist) will also join the PIU to ensure adherence with social and environmental requirements, and management of the SEP.

Until formation of a PIU, a designated unit (and/or staff) of the Client will take responsibility for and lead all aspects of the stakeholder engagement. To implement the various activities envisaged in the SEP, the assigned unit (person) will need to closely coordinate with other key stakeholders.

The roles and responsibilities of these actors/stakeholders are summarized in Table 4 below.

**Table 4: Roles and Responsibilities**

Actor	Stakeholder Responsibilities
Assigned unit (staff) of the Client (until formation of the PIU)	<ul style="list-style-type: none"> <li>Planning and implementation of the SEP;</li> <li>Updating SEP when there is progress;</li> <li>Establishment and maintenance of a grievance log-book, and management and resolution of grievances;</li> <li>Manage and coordinate information dissemination activities;</li> </ul>
PIU (Social and Environmental Safeguard Specialists)	<ul style="list-style-type: none"> <li>Planning and implementation of the SEP;</li> <li>Leading stakeholder engagement activities;</li> <li>Management and resolution of grievances;</li> <li>Management of Occupational related grievances;</li> <li>Coordination/supervision of contractors on Environmental and Social Action Plan (ESAP) and SEP activities;</li> </ul> <p>Monitoring of and reporting on social and environmental performance to EBRD.</p>

Actor	Stakeholder Responsibilities
Shaki District Executive Power (Especially Urban Development Department)	<ul style="list-style-type: none"> <li>• Monitor Project compliance with Azerbaijani legislation;</li> <li>• Inform the Client (and/or PIU) of any issues related to stakeholder engagement;</li> <li>• Assist the Client in management of grievances;</li> </ul> Disclose and implement various plans (e.g. SEP, ESAP, ESMP, etc.).
Shaki City Municipality and three village municipalities (Kish, Okhud, Gokmukh)	Participate in the implementation of assigned activities in the ESAP and SEP; Assist in Implementation of Grievance Mechanism; Participate in grievance resolution process; Make available the disclosed ESAP, SEP documents and GM procedures. Assist in Public Consultations;
Local communities (Shaki city, Kish, Okhud, and Gokmukh villages)	Invited to engage and ask questions about the Project at Project Meetings and through discussions with focal persons where it is of interest or of relevance to them; Lodge their grievances using the Grievance Mechanism defined in the SEP; Help the Project to define mitigation measures;
Other project stakeholders	Engage with the Client (and PIU) regarding project design; Raise concerns to help the project to be inclusive.

## 7. Grievance Mechanism

The EBRD Environmental and Social Policy 2019 and the National Legislation require the Client to ensure that a grievance mechanism for the project is in place.

PR 10 (Stakeholder Engagement) indicates that the stakeholder engagement process involves addressing and responding to the grievances of stakeholders and that the grievance mechanism should be proportionate to the risks and potentially adverse impacts of the project.

A recommended Grievance Mechanism for the Project is included in Table 5. It is recommended that all complaints are firstly registered by the Grievance Focal Persons (GFP) designated by the Contractor or Client. The complainant can submit a grievance in person, via phone call, email, or letter, to GFPs. The option to remain anonymous should always be provided. It is recommended to have male and female GFPs to ensure gender sensitivity. Female complainants should feel comfortable raising their complaints related to the project. Specific factors related to other identified vulnerable groups should be taken into consideration. It is also recommended to have dedicated reporting channels, trained personnel, specialist support and specific response procedures for complaints related to gender-based violence, child sexual abuse and exploitation, harassment or retaliation.

The receipt of a grievance made in person or via phone should be acknowledged immediately by paper issued by the GFP or other persons who received the grievance. Regardless of nature, all grievances should be recorded in the registration form in detail. However, confidentiality should be guaranteed if preferred by the complainant. In such cases, grievances will be recorded without name or contact information of the complainant. Upon receipt of grievances, GFPs should sort them into categories to define if the complaint is eligible for the Project established Grievance Redress Mechanism.

The grievance mechanism will address concerns promptly and transparently, in a gender-responsive manner, free from manipulation, interference, or retaliation and will be accessible to all stakeholders at no cost. It will not prevent access to judicial or administrative remedies.

The recommended grievance management process is described in the following table:

**Table 5: Grievance Management Process**

Step	Level	Activities	Time Frame
1	Level 1 – Project	Grievance Focal Person (GFP) receives the complaint and provides acknowledgement letter to the complainer within 3 days after receipt of the complaint. GFP maintains a grievances database.	3 working days
2		If the grievance is in relation to land acquisition, valuation, compensation, or entitlements, then GFP directly sends to the second level (grievance commission). On the other hand, GFP and the Contractor tries to solve the complaint in 7 working days.	7 working days
3		If the grievance cannot be solved within 7 working days, then the Contractor submits information to the Grievance Redress Commission of the Client and provides information to the complainant regarding the status of the grievance.	
4	Level 2 – Grievance Redress Commission  (The Commission should include relevant departments and sub-units of Client and other interested parties (local executive powers, municipalities,	The Grievance Redress Commission will endeavour to respond to the complainant within 15 working days.	15 working days  (or 30 calendar days in case of complex issues)
5		If the case is complex and requires investigation (experts' opinion), expertise or confirmations from the state bodies, the resolution period can be extended up to 30 calendar days.	
		If the grievance cannot be resolved still, or the complaining party doesn't agree with the offered solution, then:  <b>In case of social safeguard issues:</b> it can be discussed with social related agencies (Ministry of Labour and Social	Dependent on each situation

Step	Level	Activities	Time Frame
	NGOs, affected people etc).	Protection of the Population (MLSPP), Ministry of Finance etc.).  <b>In case of environmental issues:</b> it can be discussed with the respective environmental agencies (MENR, Ministry of Emergency Situations (MES), etc.)	

Complainants have the right to apply to an appropriate court anytime without utilising the grievance mechanism process detailed in Table 5 above.

Contact details of the Grievance Focal person are shown below:

Name, Surname: Mr. Cavid Mehdiyev

E-mail: [cavid.mehdiyev@toom.gov.az](mailto:cavid.mehdiyev@toom.gov.az)

Telephone: +994124314767 (1094)

Address: 69 A Moscow Ave, 5th floor, Baku, Azerbaijan, AZ1012

Once selected and mobilized, the contractor will include the contact details of its Community Liaison Officer in this plan and share it with project stakeholders.

Alternatively, people can use the ADSEA 955 Call Center to register their complaints. This is a centralized online service in which complainants and inquirers can dial and register their complaints for 7 days a week and 24 hours a day. ADSEA also provides a form on its website that can be filled out by those who wish to submit a complaint, suggestion or comment ([Online Appeal - Azerbaijani National Water Resources Agency](#)).

A separate grievance mechanism will be agreed upon and will be implemented for occupational related grievances, in accordance with EBRD PR2 requirements, the National Legislation and Good International Practice. The specific channels to be used for this separate grievance mechanism will be included within this section once they have been established.

## 8. Monitoring and Reporting

The results of the stakeholder engagement process will be included in the Safeguard Monitoring Reports to be prepared by the Client (or/and PIU when it is established).

The frequency of monitoring will be semi-annual. The reports will also include stakeholder engagement related information as follows:

- Place and time of the consultation meetings held and other types of engagement activities, with information on the number of participants;
- Issues and concerns raised during consultation meetings and information on how the issues raised were taken into consideration by the Client;
- Number and types of grievances raised in the reporting period, with indication of opened, resolved and closed grievances and whether they have been closed out within the timeframes stated in the grievance mechanism; the number of grievances related to gender-based violence, child sexual abuse and exploitation and harassment or retaliation should be specified.
- Type and content of information disseminated to stakeholders through various platforms.

The PIU will be responsible for monitoring of all Project related stakeholder engagement activities, ensuring the fulfilment and updating of this SEP, and reporting to EBRD.

# Appendix A

## Template for Stakeholder Engagement log

<b>Date</b>	<b>Stakeholder Name/Group</b>	<b>Engagement Method</b>	<b>Key Issues Raised</b>	<b>Response/Action Taken</b>	<b>Responsible Person</b>	<b>Follow-up Required (Y/N)</b>	<b>Next Steps / Deadline</b>
	e.g., Local Community Group	e.g., Public Meeting	e.g., land access issue	e.g., share Resettlement Action Plan and Community Health and Safety Plan	e.g., Community Liaison Officer, PIU Social specialist	Yes	e.g., Nex site visit and meeting in 2 weeks

# Appendix B

## Grievance Log template

Grievance ID	Date Received	Complainant Name	Contact Details	Grievance Description	Acknowledgment Date	Investigation Findings	Resolution / Action Taken	Date Closed	Status	Responsible Person
GR-001	DD.MM.YY	e.g., Resident near site	e.g., Phone/e mail	e.g., Dust from construction	YYYY-MM-DD	e.g., Verified dust levels exceeded	e.g., Increased watering of site	YYY Y-MM-DD	Closed	e.g., Environmental Officer

# Appendix C

## List of stakeholder engagement activities held until now

No	Organization	Positions of the people met	Date of the meeting	Discussed topics
1	ADSEA Headquarter	Head of Department on Management of Investments and Project analysis  Head of Department on Legal and Human Resources	28.04.2025	Roles and responsibilities regarding new and ongoing projects. The new project components.  Baseline information on the previous project works in Sheki.
2	ADSEA Directorate for the Facilities under Construction PLE (DFC)	Technical, Investment, Finance, Procurement and HR departments	28.04.2025	Roles and responsibilities regarding new and ongoing projects.  The new project components.  Baseline information on the previous project works in Sheki.  Environmental, social, technical, financial concerns during the project preparation and implementation.
3	EBRD	Project officer	28.04.2025	Initial findings based on the discussions with the Client.  Work program and key considerations during the site visit and feasibility studies.
4	Shaki Executive Power	Head of EP  Head of the Department of Socio-Political and Humanitarian Affairs	29.04.2025	Planned project components.  Challenges during the previous phase of the project and recommendations for the project.  Baseline data regarding socio-environment considerations.
5	Shaki Water and Sanitation Office	Director  Deputy Directors  Head if	29.04.2025	Baseline information on the water and sanitation access.  Roles and responsibilities and involvement of the office during the previous phase of the construction in Shaki.  Labour management, health and safety, environmental management, grievance mechanisms.
6	Shaki Historical-Architectural Reserve	Chairman  Chief Engineer  Engineer	29.04.2025	Area of Shaki historical-architectural reserve.  UNESCO site boundaries and limitations within these boundaries.  Planned project components and overlapping with the reserve and UNESCO site.  Necessary coordination between ADSEA, EP and the reserve management during project design and implementation.