



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 10/15/2020 | Report No: ESRSC01631



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Azerbaijan	EUROPE AND CENTRAL ASIA	P174379	
Project Name	Regional Connectivity and Development Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Transport	Investment Project Financing	1/11/2021	2/15/2021
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	State Roads Agency		

Proposed Development Objective

To provide safe, efficient and climate resilient transport connectivity and improve market accessibility along the Salyan-Bilasuvar road corridor.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>85.00</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The project will finance rehabilitation of selected sections of the original M3 Salyan-Bilasuvar road, which now forms a parallel access road for local communities, and adjacent tertiary roads. The key project road comprises section of the original M3 road, which initially served as the main North-South corridor connecting capital city of Baku with the southern part of the country and Iranian border. The road remains in use and is critically important to service local and non-motorway traffic. The project road is in poor condition and requires rehabilitation to properly serve densely populated proximate residential areas and provide a safe alternative to the motorway. The footprint of the road will not be expanded by the project largely eliminating the need for land acquisition. Design of the road will improve the road safety and introduce adaptation measures to improve resilience to climate change impacts. The Project will also improve selected sections of local feeder (tertiary) roads, identified to enhance mobility and access to markets and



services for local beneficiaries, and provide “last mile connectivity” between local socio-economic hubs and the main M3 road corridor rehabilitated by the project.

While the project will have an infrastructure focus, the project will also support selected innovative local economic development opportunities for market-oriented producers and service providers in the project area to maximize economic and social impacts of the project. The specific areas for support under the project will be identified based on the findings of the study to assess the economic potential of the project area and identify existing and possible “growth drivers” for the region. Based on the knowledge of the region’s profile, the key candidate sectors for the support by component have been identified as agriculture (grape-growing, fisheries, etc.), organic food supply to urban areas, supply chain logistics, and tourism. The project will also explore potential support to innovative approaches for utilization of e-commerce, local ride sharing schemes, ITS elements for local transport, and others.

Overall, the project has been designed to support regional development in the southern part of Azerbaijan and economic activities and employment generation in the post-pandemic recovery period.

#### **D. Environmental and Social Overview**

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The population of Azerbaijan is about 9.9 million people of which 52.8% urban and 47.2% rural. Azerbaijan has enjoyed high oil-driven economic growth which have helped to achieve considerable progress in poverty reduction. The official national poverty rate has dropped from 14.6% in 2010 to 4.8% in 2013, however, it gradually increased to 5.9% in 2016. Poverty in rural areas remain high, and considerable disparities exist across regions. The public administration is the largest employer for the urban population, followed by construction and manufacturing and then services. In cities, the main income source is wages, whereas, in rural areas, it is self-employment and agricultural income. About 40% of the working population is employed in agriculture sector. The oil sector is capital intensive and provides low employment. Since recent oil price shock resulted in slowing the oil-dependent growth and exposed about 60% of population to poverty risk. Rural populations are the most vulnerable, there is a significant gap between rural and urban areas in level of educational attainment and lack of adequate access to basic services in rural areas.

The project will cover one of the most vulnerable regions in the country where the welfare and living standards of the population are below the average for the country and have not fully recovered after floods in 2010. The project area, comprising the rayons of Salyan and Bilasuvar in the Aran economic region, has population of about 250,000 of which 70% live in rural areas. Despite the improvements of recent years, rural areas in the Aran region are still suffering from a lack of well-paying jobs and business opportunities and insufficiency of infrastructure and services. Nominal average monthly wages in Aran economic region are about 40 percent lower than country average in the first quarter of 2020, while nominal per capita income of the population in this region was the lowest in the country. A significant part of the population in the region remain socially vulnerable and at the risk of falling back to poverty.

The project area is mostly agricultural. While flora species within the project area is not particularly high, there are three protected areas in the vicinity of the project area: (i) Shirvan National Park, an important habitat for various water birds and the Persian Gazelle; (ii) Durovdag Mud Volcano (2007), a protected nature monuments; (iii) Important



Bird Area (IBA) – Hajigabul Lake, an important site for conservation of winter habitat of such rare species as White-headed Duck. No sources of industrial air emissions are known within the project area, with the main sources of other emissions being from burning of fossil fuels for heating and cooking within the residential areas, vehicle engine emissions and dust, including that generated from the movement of vehicles. The main natural watercourse in the area is the Kur River, originating in Turkey, which accounts for approximately 90% of the surface water resources in Azerbaijan, draining 68,900 km<sup>2</sup> or 80% of its territory. It is organically and bacteriologically polluted by the discharge of inadequately treated or untreated wastewater from the 11 mln people living in the catchment area, and can cause seasonal floods. No cultural heritage sites are known in the area. E&S footprint of the project is expected to be limited to medium civil works (rehabilitation of existing local roads). The project will maximize environmental and social benefits by engaging in additional activities to improve connectivity and incomes, engage socially and economically vulnerable groups such as the poor, unemployed, women, and youth, and will build on the needs of existing farmers and small businesses in the area that would help them overcome connectivity barriers in access to markets, supplies or other inputs and networks. Specific project activities to achieve the above will be determined following a qualitative socio-economic assessment.

D. 2. Borrower’s Institutional Capacity

The project will be implemented by the Azerbaijan State Agency for Automobile Roads (ASAAR). All project activities will be implemented by ASAAR with support of consultants where necessary and in collaboration with local authorities. The ASAAR was established in 2017 as a public entity responsible for the management of highway and secondary road network, as well as key local roads, which reports directly to the President and Cabinet of Ministers. ASAAR manages major road construction centrally, while using its regional entities to carry out maintenance activities. The World Bank PIU under the agency has a positive track record in implementing three prior highway operations. The ongoing Highway III project has maintained consistently Satisfactory environmental and social performance over the last three years. For implementation of the current project the PIU would need to recruit and maintain designated environmental and social staff, including designating responsibility for implementation of labor, health, and safety and stakeholder engagement activities. Additional capacity-building to the PIU would be needed in order to be able to implement ESF requirements. This will be the first ESF project for this PIU.

Public Disclosure

**II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**Environmental Risk Rating**

Substantial

Potential adverse environmental risks are associated with the activities under Components 1 and 3, which envisage the rehabilitation of selected sections of the Salyan – Bilasuvar road and tertiary local roads within the original alignment. These include (a) possible erosion and run off to water bodies during earthworks; (b) occupational and community health and safety including temporary traffic blockages and traffic safety issues; (c) the possibility of cutting small trees/branches; (d) pollution from construction (dust, noise and vibration, wastewater, solid wastes, and used oil); (e) use of construction materials such as soil and gravel and use of water for construction; (f) the possibility of irrigation or drainage channel blockages, and so on. Under Component 3, the project will also provide TA to guide the planning and development of road-side market and logistics facilities. The implementation of the beneficiary activities which will be subject of the TA under Component 3, will not be supported by the project but will require consideration and addressing of environmental aspects which might include agricultural waste management, use of



water, etc. These impacts are likely to be temporary and reversible and could be managed by applying good construction practices and adequate mitigation measures. The implementing agency is well experienced with World Bank safeguard policies but will require strengthening the capacity to meet the requirements of the Environmental and Social Standards (ESSs) under ESF and designation of full-time environmental and social staff. The Environment risk rating will be revisited at Appraisal, based on the findings of the analysis and assessment of any potential impacts on the protected areas, and the mechanism to screen out sub-projects activities with high and substantial risks is set under the ESMF.

**Social Risk Rating**

Moderate

The project envisions road rehabilitation works, consultancy and training activities which are not expected to cause negative or irreversible social and resettlement impacts. Road rehabilitation is expected to take place within existing alignment and no additional land requirements are expected. Any impacts associated with these activities such as unanticipated damage to property or assets, noise, dust, or other inconvenience caused to local populations can be managed via site-specific environmental and social management plans. Labor influx is expected to be low as mostly local population can be engaged in the construction works. Sexual exploitation and abuse and sexual harassment (SEA/SH) risk is also expected to be low based on preliminary risk assessment and the assessment conducted for the ongoing highway operation. Risks related to social exclusion and the potential inability of some population groups to equally benefit from the project will be assessed at preparation and mitigated within project design and appropriate awareness and engagement activities. The implementing agency has a good track record in project implementation under the World Bank safeguard policies, however, would require additional capacity - both in new staff and in training of existing staff - to be able to implement the project in accordance with ESF requirements.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

**Overview of the relevance of the Standard for the Project:**

The project has four components: Component 1. Road connectivity (rehabilitation of selected sections of the Salyan-Bilasuar secondary road and tertiary roads within their original alignment); Component 2. Road sector sustainability (TA to improve road network management and operation efficiencies, develop road user charging modules, and develop systems to prevent overloaded axels); Component 3. Local development and logistics (support tertiary road rehabilitation, guide planning of roadside market and logistics facilities, provide training and advisory services to small scale agriculture and agri logistics); and Component 4. Project management and institutional development.

Environmental and social impacts are mostly expected under Components 1, which entails civil works for road rehabilitation. Impacts will also be screened under Component 3, however, they are expected to be minor as that component would mostly finance training and advisory services for local businesses and service providers as well as some asset/input transfers. Capacity-building activities will be provided to the beneficiaries on mitigation of environmental and social risks, proportionate to the risk of their respective activity.

As the project’s physical footprint will be limited to rehabilitation of secondary and tertiary roads within existing alignment, no land acquisition or involuntary resettlement impacts are expected to occur. Since the detailed designs and investments are not yet known, a Resettlement Policy Framework (RPF) will be prepared by Appraisal to guide



the management of resettlement impacts if any occur during implementation. These may include, for example, impacts on roadside businesses, fences, structures, trees, etc.

Environmental impacts will be typical to small and medium civil works, including dust, noise, pollution, waste management, drawing of gravel and sand resources, among others. Under the Law on Environmental Impact Assessment (dated June 12, 2018) an EIA process for these activities is not required. While the alignment of the Salyan - Bilasuvar road is not crossing or passing by any of the protected areas, there is still a risk of adverse impacts which might be caused by improper placement and management of contractor's facilities, and poor waste and traffic management. An Environmental and Social Management Plan (ESMP) will be prepared to address impacts associated with the rehabilitation of selected sections of the Salyan- Bilasuvar road between km31 - km101 of M3 corridor (original alignment). The ESMP will include identification and assessment of site-specific impacts, including those on protected areas, and adequate mitigation measures and monitoring plan. The ESMP will also determine institutional responsibilities and arrangements as well as provide for indicative budget for the implementation of the ESMP. The ESMP will be prepared, disclosed and consulted prior to Appraisal.

An Environmental and Social Management Framework (ESMF) will be prepared for the project. The ESMF will summarize outcomes of the social and environmental assessment process for the project, and specifically address impacts associated with the rehabilitation of tertiary roads under Components 1 and 3 to be identified during the project implementation, and with the implementation of activities to be supported by the TA under Component 3. It will provide for a screening mechanism for the selection of specific tertiary roads for rehabilitation and for economic and innovation activities to be financed under Component 3, and include template for site-specific Environmental and Social Management Plans (ESMPs). The site-specific ESMPs will be prepared during implementation phase once detailed designs are available and will be incorporated into bidding documents, civil work contracts, and monitored by PIU with the help of supervision consultants, and once Component 3 activities are identified. The ESMF will cover aspects relevant to community health and safety, such as site safety and traffic management, SEA/SH prevention and mitigation measures, Covid and transmittable disease prevention and protection measures, rules regarding use of security forces, among others. The ESMF will also envisage incorporation of the climate change resiliency design into the overall project. The details to be considered by the road-specific design will be developed and suggested within the scope of site-specific ESMPs, with overall guidance to consider, where appropriate, Nature Based Solutions (NBS) as best practice for improving a project's overall resilience to climate change impacts. The ESMF will be prepared, disclosed and consulted prior to Appraisal. The ESMP and ESMF will include clear eligibility criteria to ensure that high and substantial risks activities are screened out, both for the road rehabilitation works and for the development support activities. This would include, for example significant land acquisition/resettlement; adverse impacts to critical or natural habitats or cultural heritage sites (e.g. fragmentation of habitat, quarrying or borrowing of construction materials). The ESMF and site-specific ESMPs will be in line with the WB Environmental Health and Safety Guidelines (EHSGs) and Good International Industrial Practices (GIIP).

Labor Management Procedures for the project will be prepared by Appraisal to guide the management of labor relations and occupational health and safety risks, and ensure fair treatment and non-discrimination. The project is expected to involve direct (PIU staff) and contracted (civil work contractors, and various consultants) workers. Community workers will not be used in the project. Most of the labor force is likely to be from Azerbaijan, and in the case of unskilled labor – from the project area; therefore, the risk of labor influx is low. SEA/SH risk is also assessed as low at this stage, given the project and country context, and based on prior transport projects in the country. Small businesses benefitting from training or other support under Component 3, and their workforce, are considered



project beneficiaries. Provisions for their health and safety will be made in the project’s ESMF. Additionally, business owners benefitting from the project will be requested to sign a commitment form with a statement of compliance to national labor legislation and key ESS2 principles such as adherence to good OHS practices and prohibition of forced and child labor.

Stakeholder engagement will be guided by a Stakeholder Engagement Plan (SEP), which will be prepared in a participatory manner and disclosed prior to Appraisal. The ESMF and SEP will identify groups that are either likely to be disproportionately affected by project activities or may not benefit equally from the project. These may include, for example, persons with disabilities, women and women-headed businesses, youth, persons from ethnic, religious or language minorities, among others.

The ESMF and SEP will propose differentiated activities as part of project design to ensure inclusion of all groups, which will be incorporated in the respective components. These may include, for example, tailored outreach and consultations to understand the needs of various community groups such as youth, women, or minorities, or persons living in neighborhoods or villages that are far from regional and market centers. Based on the findings from the socio-economic study, Component 3 will design interventions that promote cooperation and/or reduce barriers for vulnerable or disadvantaged groups to benefit from the project, e.g., promotion of digital tools that improve accessibility for persons in remote areas, persons with disabilities, or elderly; skill programs that target such groups and improve their awareness and capacity to participate in the project benefits.

**Areas where “Use of Borrower Framework” is being considered:**

Use of Borrower Framework is not considered for the Project or any of its parts.

**ESS10 Stakeholder Engagement and Information Disclosure**

Project-affected parties may include local residents or businesses, whose property or incomes may be impacted by road rehabilitation works under Components 1 and 3, or in any way – positively or negatively – affected by local economic development activities under Component 3. Other interested parties include all road users and residents of the project areas, who will benefit from improved road network; local and regional businesses who may benefit from advisory activities under component 3, other private sector stakeholders who conduct or intend to conduct business in the project area; local governments; public service providers; as well as Ministries and national agencies who play role in the development of the target region (such as Ministry of Economy, Ministry of Agriculture, Ministry of Transport, Communication, and High Technologies, and National Tourism Agency).

The PIU will prepare and disclose a Stakeholder Engagement Plan (SEP) by Appraisal. The SEP will establish a systematic approach to stakeholder engagement throughout the life of the project. It will describe the roles and responsibilities of PIU and other relevant stakeholders in sharing information, conducting engagement activities throughout the project, and the budget resources to be allocated for this purpose. Importantly, the SEP and SEP implementation process will provide an opportunity to integrate the views and needs of stakeholders across the



three components of the project to ensure that the activities of all components are complementary and jointly serve to address needs and improve lives of local population.

SEP preparation will incorporate participatory methods in order to gather information on the needs of prospective beneficiaries, and importantly, on the most convenient and effective channels of engagement that can be integrated in the project design. Project preparation will consider the integration of differentiated measures to ensure that vulnerable and disadvantaged groups can also participate in community mobilization activities. These will involve a combination of traditional consultation and participation methods (such as town halls, public consultations, etc.) and digital tools whose use is expected to increase in the post-Covid context (such as web-based platforms, social media, among others). Prior projects in Azerbaijan demonstrate that rural populations, including women and youth, are active users of the internet and social media. In consultation with local stakeholders the project will consider a web-based platform for participation and sharing of feedback similar to the 'your priorities' app that has been piloted in other parts of ECA region. The project will follow national requirements, as well as good practice international guidance on safety measures with regard to Covid-19.

A grievance redress mechanism (GRM) will also be established for the project and sensitized for SEA/SH complaints. The GRM will be maintained by the PIU, however local-level stakeholders will also be involved in its operations for example local government and community leaders, civil works contractors, and supervision consultants. The PIU will be responsible for the overall functioning of the GRM, and for maintaining a comprehensive and up-to-date GRM log.

The project results framework will incorporate one or more beneficiary feedback indicators to measure whether citizens in target communities believe that project investments meet their needs, and whether they feel effectively engaged.

Public Disclosure

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### **ESS2 Labor and Working Conditions**

The project will include direct workers (employees of PIU) as well as contracted workers (employees of civil works contractors and consultants). Community workers are not going to be involved in this project. Civil works contractors will be encouraged to maximize the employment of local residents in road rehabilitation works. The PIU will prepare before Appraisal Labor Management Procedures based on applicable national law and compliant with ESS2 and monitor its implementation throughout the project life. The LMP will ensure that neither child labor nor forced labor will be employed under the project.

Contracted workers will comprise the employees of all civil works contractors and sub-contractors to be engaged for road rehabilitation works, as well as the employees of consultants contracted for supervision, training, or other services. At the moment, it is not possible to estimate the full number of such workers. The largest number of contracted workers to be engaged under Component 1 may require 25-50 workers at each site. Workers' camps are not likely to be established as civil works would mostly employ local residents. Requirements to comply with the LMP will be included in bidding documents and contracts with all contractors, and supervised via supervision consultants





and PIU staff. The PIU will contract at least one qualified labor, health, and safety specialist dedicated to the implementation of LMP. The LMP will cover key OHS provisions including terms and conditions for all labor force in the project, and OHS requirements. With regard to OHS, the LMP will present overview of national legislation as well as state key principles to be followed by all contractors and sub-contractors, and monitored by PIU and Supervision Consultants), such as PPE for workers, site safety arrangements, maximum hours of work, limits to overtime work, mandatory rest periods, hygiene requirements, arrangements for medical care on site, emergency preparedness plans, among others. Beneficiaries of component 3 activities (such as local businesses) will assume responsibility to comply with environmental and social procedures of the project, including with LMP, via signed application documents. The ESMF and ESMPs will include specific OHS requirements and standards to be included in contracts.

Primary suppliers will be considered those who provide materials to project activities on an ongoing basis that are essential to the core functions of the project. These may include suppliers of construction materials, machinery, and other inputs necessary for road rehabilitation works. The PIU will obtain confirmation from suppliers that no forced and child labor has been used in the production of the supplied goods.

A GRM for project workers will be included in the LMP and will be formally established within four weeks after the project effectiveness. Complaints received and resolved will be reviewed during the implementation support missions. OHS standards based on General and industry-specific EHSs and GIIP, will be introduced through training programs and advisory services to be supported by the project.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The standard is relevant because the implementation of the road rehabilitation works (Components 1 and 3) and economic and innovation activities (Component 3) will involve use of resources such as water, electricity, fuel and construction materials. The project will also cause generation of construction wastes and has a risk of soil and water pollution if wastes and fuels are not properly managed. The efficient use of resources, proper waste management and prevention of pollution will be considered within the scope of the ESMP for the rehabilitation of Salyan - Bilasuar sections, ESMF and site-specific ESMPs for the rehabilitation of tertiary roads and implementation of economic an innovation activities supported under Component 3.

### **ESS4 Community Health and Safety**

Community health and safety impacts mostly relate to the Component 1 and 3 road rehabilitation activities, such as dust, noise, vibration, and to a lesser extent - labor influx, disease contamination, and SEA/SH risks. To address such impacts, the project's ESMF and site-specific ESMPs will include assessment of community related health risks; works and road safety; excessive noise and dust levels, site safety awareness and access restrictions; and labor influx, - all these issues will be required to be included in the site specific ESMPs to be prepared once the investments are identified. The ESMF document will require appropriate site safety measures such as fencing and signage to be installed around all construction sites and areas where there is a risk to community health and safety. Furthermore, the ESMF will require that site specific ESMPs specify the necessary measures for efficient waste management. To the extent that agricultural activities will be supported under Component 3, the ESMF will include a template for a Pest Management Plan to be used by the PIU and beneficiaries of such activities. Based on preliminary risk assessment



and the risk screening conducted for the project using the World bank SEA/SH screening tool, SEA/SH risks are expected to be low. The project will incorporate community awareness-raising measures related to SEA/SH prevention and risk management, a Code of Conduct to be included in all labor contracts, and to be acknowledged and signed by all project workers, to ensure that behaviors of workers involved in civil works are respectful to the community and do not tolerate SEA/SH behaviors. The project's grievance redress mechanism will be sensitized to receive and process SEA/SH related grievances.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The project does not envision land acquisition, land use restrictions, or involuntary resettlement. However, given that the exact location and detailed design for road rehabilitation works will not be known until project implementation stage, a Resettlement Policy Framework (RPF) will be prepared to guide the management of ESS5-related impacts if any are encountered during implementation. Such impacts may arise for example, if trees, residential structures, or businesses are encountered in the right of way of the roads to be rehabilitated, and/or if new structures such as overpasses or underpasses are being constructed, among others. The RPF, to be approved and disclosed by Project Appraisal, will set out the procedures to be followed if resettlement impacts occur in the course of the project, including the procedures for the preparation and implementation of site-specific Resettlement Action Plans.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The standard is relevant. While the project area does not cross or passes by any of the protected areas, there are three protected areas which are located in the relative vicinity of the project area (see distances below) and thus should be considered under the ESMF and site-specific ESMPs. The protected area are as follows:

- Shirvan National Park (2003) – the territory of the park is 54,373.5 ha and includes plots of Garadag, Salyan, Shirvan and Neftchala administrative districts. Additionally 6,232.0 ha of adjacent territory is belonging to Shirvan State Nature Reserve and 4,930. ha to Bandovan Sanctuary. The main landscape of the park is natural semi-desert steppe with wormwood (*Artemisia* sp.) edificatory and high diversity of ephemeral grasses. The artificial lake Shorgyol (Flamingo) is located in the middle of the park occupying territory of about 4,000 ha and is important habitat for various water birds. Eastern part of the park is Caspian Sea coast with sand beaches and shallow lagoons. The main reason for this protected area creation was protection of Persian Gazelle. The closest distance to the project area is from the town of Salyan – 12.3 km;
- Durovdag Mud Volcano (2007). Mud volcanoes are protected as nature monuments. One of protected volcanoes - Durovdag, is placed within Shirvan National Park – at its southern border, and 16 km from the town of Salyan;
- Important Bird Area (IBA) – Hajigabul Lake. An IBA is an area recognized as being globally important habitat for the conservation of bird populations. The area is an important site for conservation of winter habitat of such rare species as White-headed Duck. Winter number of this endangered IUCN listed bird on Hajigabul Lake can exceed 10% of the world population of this species. Same time this lake and adjacent fish-ponds are also important habitat for many other rare locally and internationally protected species. The distance between the Lake and the town of Salyan is 53km.



The potential adverse impacts on biodiversity are expected to be minimal because the project will be implemented within the original alignments of the Salyan-Bilasuvar road and tertiary roads. Also, the ESMF will provide for a screening mechanism to avoid the support of activities under Component 3, which might cause serious impacts on biodiversity and natural resources. In addition, such impacts and risks will be considered and addressed in detail in the scope of site-specific ESMPs for both the road rehabilitation (Components 1 and 3) and economic/innovation activities (Component 3).

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

No indigenous groups are known to reside in the territory of Azerbaijan.

**ESS8 Cultural Heritage**

The project does not envision works on, or in the vicinity of, cultural monument. Chance find procedures will be included in the project's ESMP for the Salyan-Bilasuvar road rehabilitation, Environmental and Social Management Framework, and in the template for other site-specific Environmental and Social Management Plans.

**ESS9 Financial Intermediaries**

The project will not involve financial intermediaries.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

No co-financing is envisioned for this project.

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

Finalize and disclose in English and Azerbaijani languages:

- Environmental and Social Commitment Plan (ESCP);
- Stakeholder Engagement Plan (SEP);



- Environmental and Social Management Framework (ESMF);
- Environmental and Social Management Plan (ESMP) for the rehabilitation of selected sections of the Salyan - Bilasuvar road;
- Resettlement Policy Framework (RPF);
- Labor Management Procedures (LMP);
- Socioeconomic development study to be completed as early as possible during preparation, in order to inform project design and preparation of the ESMF, ESMP and SEP.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Composition of PIU, including dedicated Environmental; Social; Labor Health and Safety Specialists, and Community Liaison Officer;
- Monitoring and Reporting requirements, including incident reporting measures;
- Implementation of ESMF, RPF, LMP, and SEP including integration of relevant activities in bidding documents and contracts of contractors;
- Preparation, disclosure and implementation of site-specific ESMPs;
- Design stage road safety audit implemented and relevant recommendations incorporated into the final design/ESMPs;
- Establishing and maintaining a Project Grievance Redress Mechanisms for citizens which is sensitized to be able to receive and process grievances related to sexual exploitation and abuse and sexual harassment (SEA/SH); and a system to ensure that all project workers have access to a Grievance Redress Mechanism for employment-related concerns;
- Implementing measures related to the prevention and mitigation of SEA/SH in all project activities;
- Implementing measures related to the prevention and mitigation of risks related to disease prevention and control, including Covid-19 safety measures.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

01-Dec-2020

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Ministry of Finance

**Implementing Agency(ies)**

Public Disclosure



Implementing Agency: State Roads Agency

#### V. FOR MORE INFORMATION CONTACT

The World Bank  
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#### VI. APPROVAL

Task Team Leader(s):	Fiona J Collin, Nijat Valiyev
Practice Manager (ENR/Social)	Anne Olufunke Asaolu Recommended on 15-Oct-2020 at 07:18:58 GMT-04:00
Safeguards Advisor ESSA	James Peter Moore (SAESSA) Cleared on 15-Oct-2020 at 13:50:57 GMT-04:00