

 Early Warning System

WB-P508792

Azerigas Gas Leak Detection and Repair Facility



Quick Facts

Countries	Azerbaijan
Specific Location	Baku
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-08-06
Borrower	Azerigas (SOCAR)
Sectors	Climate and Environment, Energy
Investment Type(s)	Grant
Investment Amount (USD)	\$ 15.00 million
Grant Amount (USD)	\$ 15.00 million
Project Cost (USD)	\$ 15.00 million



Project Description

As stated by the World Bank, the development objective is to reduce fugitive methane emissions from the gas distribution network operated by Azerigas, and to strengthen Azerigas' asset management capacity.

Azerigas is a ring-fenced business unit of the State Oil Company of the republic of Azerbaijan (SOCAR), with unbundled accounts, responsible for distribution and sales of natural gas to the domestic market in Azerbaijan. The company is experiencing significant gas leaks (fugitive methane emissions) from its legacy assets, most of which are more than fifty years old, estimated at 160 million m³/year (107 kilotonnes per annum (ktpa) CH₄). Analysis suggests that around eighty percent by volume of these gas leaks can be repaired with straightforward and cost-effective interventions within a 7-year time period. Using a global warming potential (GWP) factor of 28, this would result in greenhouse gas (GHG) abatement of 2.4 million metric tonnes per annum (mmtpa) CO₂e.

The project will establish a recipient-executed financial Facility for gas leak detection and repair (LDAR) in the gas distribution system operated by Azerigas. The Facility will be launched with an initial grant from the GFMR trust fund. SOCAR will be the Recipient of the grant and the holder of grant and Facility accounts, and Azerigas will be the sole beneficiary of the grant and the implementing entity responsible for day-to-day implementation and project management. The money will be reallocated from SOCAR to Azerigas for agreed leak detection and repair activities to reduce fugitive emissions of methane on a rolling basis.

The project will build on learnings from Azerigas' pilot gas leak baseline program in Baku. Repair activities will be proposed and implemented by Azerigas according to preliminary agreed eligibility criteria. Proposed activities will be prioritized based on cost, complexity, impact, and other relevant criteria to maximize the amount of emissions reduced per US\$ deployed.

In order to guarantee a longer term impact, a key aspect of the proposed financial Facility will be that majority of financial benefits resulting from gas savings as a consequence of leak repair will be re-invested into the Facility, so as to mobilize additional capital to further rehabilitate Azerigas assets. Furthermore, the GFMR-funds initially and the Facility subsequently will be used to build capacity within Azerigas to carry out monitoring, reporting and verification (MRV) of emissions in line with the OGMP 2.0 standard.

GFMR grant funding will enable activities that would otherwise not take place due to the strained and constrained financial situation of Azerigas, unlocking methane emission abatement action within the current decade.



Investment Description

- World Bank (WB)



Private Actors Description

As stated by Devex, the State Oil Company of the Azerbaijan Republic (SOCAR) is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan. Three production divisions, one oil refineries and one gas processing plant, a deep water platform fabrication yard, two trusts, one institution, and 23 subdivisions are operating as corporate entities under SOCAR.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	SOCAR	Client	Energy



Contact Information

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No contacts provided at the time of disclosure.

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

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The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



Bank Documents

- [Concept Environmental and Social Review Summary \(ESRS\) - Azerigas Gas Leak Detection and Repair Facility](#)
- [Concept Project Information Document \(PID\)](#)