



**State Committee
For Affairs of Refugees and Internally Displaced Persons
of the
Republic of Azerbaijan**

OPERATIONAL MANUAL (OM)

for the

Improved Livelihoods for IDPs in Azerbaijan Project (ILIDP)

Financed by the State and Peacebuilding Fund (SPF)



Baku, January 9, 2023

Table of Contents

1. Project Description
 - 1.1. Background
 - 1.2. Project Development Objectives

2. Summary of Project Components and Targets
 - 2.1. Component 1: Skills development
 - 2.2. Component 2: Job placement and business development support
 - 2.3. Component 3: Civic engagement, social cohesion, monitoring and operational support
 - 2.4. Project beneficiaries
 - 2.5. Target communities and beneficiaries

3. Detailed Component Implementation
 - 3.1. Component 1: Skills development
 - 3.2. Component 2: Job placement and business development support
 - 3.3. Component 3: Civic engagement, social cohesion, monitoring and operational support

4. Institutional Arrangements
 - 4.1. Implementing Agency
 - 4.2. Selection Committee
 - 4.3. Project Stakeholders

5. Procurement

6. Financial Management and Auditing
 - 6.1. Financial Management
 - 6.2. Auditing
 - 6.3. Reporting Procedures

7. Environment and Social Framework

- Annexes

List of Annexes

- Annex 1. Cities and Regions where the beneficiaries will be selected from
- Annex 2. Results Framework
- Annex 3. Application form
- Annex 4. Post training completion survey
- Annex 5. Baseline survey form
- Annex 6. Local labor market and business plan form
- Annex 7. Organizational chart
- Annex 8. TORs of PIU staff
- Annex 9. Draft Terms of Reference for “Citizen Engagement Service Provider”
- Annex 10. Stakeholder Engagement Plan

Acronyms

EC	Executive Committee
GoA	Government of Azerbaijan
IA	Implementing Agency
ILIDP	Improved Livelihoods for Internally Displaced Persons Project
IDPs	Internally Displaced Persons
LSLP	Living Standards and Livelihood Project
MLSP	Ministry of Labor and Social Protection of Population
M&E	Monitoring and Evaluation
NGOs	Non-Governmental Organizations
OM	Operations Manual
PDOs	Project Development Objectives
PIU	Project Implementation Unit
SCRI	State Committee for Refugees and IDPs
SCFWCA	State Committee for Family, Women and Children Affairs
SEA	State Employment Agency
SFDI	Social Fund for Development of Internally Displaced Persons
SPF	State and Peacebuilding Fund
UNHCR	United Nations High Commissioner for Refugees

Republic of Azerbaijan

Improved Livelihoods for IDPs in Azerbaijan Project

Operational Manual

This project Operations Manual (OM) establishes the rules and procedures to be followed by the State Committee for Affairs of Refugees and Internally Displaced Persons (hereinafter SCRI), project field staff, and the communities for the utilization of the State and Peacebuilding Fund Grant, awarded to the Government of Azerbaijan (GoA) to undertake an Improved Livelihoods for Internally Displaced Persons Project (ILIDP).

The main objective of this manual is to provide the referred stakeholders with a set of guidelines for their role in any of the project cycle stages. The respect to these guidelines will allow the coordination and execution of the funds provided by the World Bank in a transparent and accountable manner while maintaining high degree of efficiency and effectiveness to realize project objectives.

The manual contains a brief description of the country context in relation to the Project intervention, the Project objectives and components, the scope and targeting, the project cycle, the fund flow arrangements, the procurement guidelines and the monitoring and evaluation mechanism.

The OM is a document in-progress that will be reviewed and updated throughout project implementation, incorporating lessons from experience. The design of the OM and need for this project are based on the recommendations and findings of two pieces of work. The first document is the recommendations and opportunities identified through analytical work in an *Assessment of IDP Livelihood Support Lessons and Needs* which was conducted in 2022. The second one is a *Baseline Needs Assessment Survey* undertaken during June-July 2022, which collected information on IDPs' demographic, social, and economic background, needs and aspirations regarding income generating opportunities and skills in order to inform employment and livelihood support programs tailored towards IDPs. Strong evidence of impact from recently implemented *IDP Living Standards and Livelihood Project ("LSLP Project")*, 2011-2019, support the arguments made then.

1. Project Description

1.1. Background

- Country Context

On September 27, 2020, the decades-old conflict between the two countries spiraled after Armenia's forces deployed in the occupied Azerbaijani lands shelled military positions and civilian settlements of Azerbaijan. During the counter-attack operations, Azerbaijani forces liberated over 300 settlements, including the cities of Jabrayil, Fuzuli, Zangilan, Gubadli, and Shusha, from a nearly 30-years-long Armenian occupation. The war ended in a tripartite statement signed on November 10, 2020, by Armenia, Azerbaijan and Russia. Under the statement, Armenia also returned Aghdam, Kalbajar, and Lachin districts to Azerbaijan.

There are both thousands of people newly displaced as well as hundreds of thousands with yet unresolved circumstances. As control of territory has shifted and remains highly sensitive, there may be opportunities for people to return to the towns and villages they evacuated decades ago. It is, however, clear that further movement of displaced people will take time to evolve for various reasons, including ongoing disputes and safety concerns due to the presence of land mines in the conflict-affected areas. As such, there is a need to address both the needs of newly displaced people, as well as those who remain poor and vulnerable due to their long-standing situation of displacement.

- Sectoral Context

Currently, more than 600,000 people remain internally displaced in Azerbaijan, making it one of the highest concentrations of IDPs per capita in the world. IDPs live in 69 districts of Azerbaijan with the majority in urban settings particularly in the major urban centers of Baku and Sumgayit. The GoA assists them through numerous programs (outlined in a series of more than 70 Presidential decrees, 300 Government statements, legislative acts, and decisions on provisions for the displaced) intended to provide temporary support until they return to their homes. IDPs receive *individual direct cash transfers, as well as an assistance package of subsidies and services (for example ‘State Program on Poverty Reduction in Azerbaijan for 2008 – 2015’, ‘State Program on the socio-economic development of regions for 2009-2013’, ‘State Program for the Reliable Provision of Food Products to the Population 2008 – 2015.’)*. The Government has gradually modified its approach to address the needs of the displaced and more systematic investment is being made in their living conditions and economic opportunities in their temporary (but now long-term) places of residence.

However, socio-economic barriers still remain which limit the access of IDPs to skill development trainings, production resources, credits and market opportunities. Another critical reason is shortage of vocational training opportunities for IDPs in the regions. In fact, the country lacks such institutions in number and quality. Furthermore, certain stereotypes prevalent in society, especially in remote regions discourage girls from entering into business after school graduation.

1.2. Project Development Objectives (PDO)

The PDO is to enhance civic engagement, technical skills and opportunities for income generation for vulnerable IDP households in Azerbaijan. The project will also support Government capacity to prepare and implement livelihood programs targeted to vulnerable IDPs.

The main beneficiaries will be IDPs that are currently identified as poor and vulnerable due to their living conditions.

The following **results indicators** will capture the above-mentioned dimensions (Annex 2) provides the full Results Framework for the project with measurable indicators):

- Number of direct project beneficiaries and percentage of which are female
- Percentage of the targeted beneficiaries whose main source of household income is either self-generated or comes through wage (compared to baseline data to be collected) in order to compare to individuals who don't have income at the time of enrolling in the project

- Percentage of beneficiaries reporting that they have used the skills they had acquired through project activities in their daily lives in order to generate or increase their income
- Number of new businesses created

2. Summary of Project Components and Targets

To achieve the PDO, the project has three main components linked and mutually reinforcing. Together, the components aim to improve socio-economic opportunities and inclusion of IDPs in the target communities.

2.1. Component 1: Skills development

This component will support IDPs who are interested in pursuing business/employment opportunities through a package of technical assistance which will consist of vocational training, and other life skills. The objective of this component is to provide selected IDPs an opportunity to learn a trade and subsequently develop new businesses and obtain jobs in the places they reside.

SCRI will also collect baseline data as a part of the application form, which will enable the Committee to compare information from those who were selected and those who were not selected. The baseline form is simple enough for IDPs to complete on their own as part of their applications and that provides information on most project indicators. A household income form will be filled out separately by mentors with project participants after their selection. The mentors will receive training from SCRI on how to do this.

To understand better the real opportunities of IDPs, particularly about the types of professions that are most in demand in the project areas, the project will ask IDPs (before the application process) to fill out a basic labor market assessment form. The process for this will be a day where the mentors work with potential project participants and explain to them how they can find out more about the kinds of opportunities they have in their communities and how to find out about potential income of different activities. As IDPs might not know everything about the labor market, they will receive additional information to help them.

The monitorable outputs for this component are:

- Baseline and local market needs assessment (based on information submitted by applicants and mentors) have been identified for each of the target communities;
- Vocational apprenticeship (training courses conducted by masters) and scholarships (vocational school-based trainings) are provided to at least 500 students from across the participating communities;
- At least 85% of selected students complete apprenticeships/training;
- At least 50% of training participants are women.
- # of IDPs expressing interest in participation and identifying priority project support needs, which will make up the long list.

The Project will be implemented by the Project Implementation Unit (PIU). It will organize meetings with representatives of ExCom, municipalities, CESP, communities and other relevant bodies in target areas. During these meetings the participants will be informed about the Project, its objectives and procedures and proposed project activities in IDP communities. As a result of such meetings, the local government representatives will become aware of the successes and effects of past activities, the benefits for the IDPs and possible ways for collaboration in future project activities.

The awareness and promotion activities will continue in IDP-settled areas in cities, rural areas and new settlements. The project information will be disseminated among IDPs through group and individual meetings, announcements on public places (club, schools, shops, post office, etc), brochures. The PIU is also planning to make advertisements in local newspapers, social networks, TVs and radio stations, etc.

Vocational training institutes

The following criteria will be used in the selection of the vocational training institutes and private training providers by the State Committee:

- Accessible location to the target areas/communities settled by IDPs;
- Quality of the facilities;
- Capacity to absorb IDPs into training programs;
- Range of skills taught;
- Demonstrated successful experience in regards to the following:
 - Delivery of high-quality vocational training;
 - Adaptation of training to the capacity and needs of IDPs;
 - High levels of student retention;
 - Reporting and performance on budget and time.
 - Success in helping students to be placed into relevant jobs or become established in self-employment.

The PIU will visit all the target areas and at the same time, requests will be sent out to respective government agencies. The PIU will ask for their services and seek advice on professional masters that operate on these sites. Selection of the masters will be decided on their knowledge and relevant experience in the field. The team will also look at whether these masters have had apprenticeship experience in the past or not.

Service contracts for both the training institutes and masters will be signed for a duration of 6 months. The contract will include all the details, such as how many students will be trained, in which subjects, and what the exact duration will be. At first, a 30% advance payment will be made. 50% payment will be made mid-term and the remaining 20% will be made upon successful completion of the program. Contracts will be signed directly between SCRI and the training providers, including the masters. No voucher or other mechanism will be used.

2.2. Component 2: Job placement and business development support

This component will fund training, mentoring, business and employment support services to build the capacity of IDPs who successfully completed vocational trainings and support the sustainability of the newly created businesses and newly acquired jobs. It aims to support IDPs in their efforts to establish new businesses or work, generate income, employ IDP

community members, and deliver goods and services that benefit their communities and the society at large. The component will also facilitate meetings between participants, commercial banks and micro-credit agencies, for the purpose of extending support for business growth and ongoing assistance to those who decide to take out loans.

The monitorable deliverables and outputs for this component are:

- At least 400 (80% from total amount) new businesses created and/or jobs acquired and still operating after 12 months;
- At least 50% of new businesses created and jobs acquired are by women.

2.3. Component 3: Civic engagement, social cohesion, monitoring and operational support

This component will support training for project beneficiaries on access to government services, civic engagement, community participation, establishment of community groups, trust-building and related techniques to support active engagement in their communities and an eventual peaceful and cohesive transition of IDPs to a new living environment. Such support will help to build social cohesion in IDP-concentrated communities that may be undergoing a significant socio-economic transition in the coming months and years. In addition to participants' training, this component includes support to GoA to design and implement an intensive citizen engagement initiative with project participants, their households, other IDPs and other interested stakeholders (e.g. tracer/beneficiary surveys, beneficiary feedback/grievance mechanisms, joint government-civil society project committee) to allow for an ongoing feedback loop between citizens and government so that IDP support activities are responsive to the changing needs and aspirations of various groups. This component would also include resources for overall project implementation, monitoring and evaluation and communications by the State Committee through the PIU.

The monitorable deliverables and outputs for this component are:

- Number of trainings to project participants;
- # of people trained on community mobilization and trust-building techniques (of whom 50 % are women)

The Committee will employ an annual self-generated household income form during the meetings with household heads to track the impact of the program on the household income of beneficiaries.

2.4. Project beneficiaries

It is expected that at least 500 direct beneficiaries from 18 cities and regions of the country (Annex 1) will be reached over the 36-months length of the project life (October 2022 to October 2025). These are the regional areas where the IDPs are mostly concentrated. In terms of indirect beneficiaries, based on previous experience, the Committee has observed that when one family member is equipped with income-generating skills and thereby with increased competitiveness for local employment opportunities or self-employment, the benefits are often passed on to the whole family. Based on an average household size of 5

persons, the project expects to reach a combined total of 2,500 direct and indirect beneficiaries over the life of the project.

More importantly, advanced business management and community mobilization skills and knowledge delivered throughout the project will be leading to leverage more internal and external resources towards helping IDPs to live better individually and as a whole. The Project will also be an inclusive one and embrace persons with disabilities. It will reach out to organizations that work with people with disabilities to encourage their application and make necessary arrangements to include them in the project.

2.5. Target communities and beneficiaries

For organizational purposes, the project divides the country geographically into the following 4 regions: (i) western region, (ii) southern region, (iii) northern region, and (iv) Baku, Sumgayit, Absheron Peninsula. These are the specific regions where most IDPs have concentrated.

Baku, Sumgayit, Absheron Peninsula – more than 350,000 IDPs

Northern region (Oghuz, Gabala, Mingechevir city) – 24,343 IDPs

Southern region ((Agdam, Agdjabedi, Barda, Beylagan, Fizuli, Tartar) – 137,976 IDPs

Western Region (Samukh, Dashkesan, Goygol, Goranboy, Ganja city, Yevlakh) – 52,538 IDPs

Breakdown by regions

	Northern region	Southern region	Western region
Baku Sumgayit Absheron Peninsula	Oghuz Gabala Mingechevir city	Agdam Agdjabedi Barda Beylagan Fizuli Tartar	Samukh Dashkesan Goygol Goranboy Ganja city Yevlakh

The project will select beneficiaries so that all geographic regions are represented as follows:

- 40% Baku, Sumgait and Absheron Peninsula
- 30% southern region
- 20% western region
- 10% northern region

The breakdown is roughly proportionate to the population of IDPs residing in these areas.

Priority will continue to be given to IDPs from poorer families based on the baseline data to be collected. Selection of project participants will be made in proportion to their types of

accommodation and housing. To ensure decent housing condition for IDPs, the GoA has been building more than 116 new settlements over the last decade and more than 300,000 IDPs have been moved to those settlements.

The component will support IDPs who:

- (i) have completed high school but have received no other formal university or vocational training;
- (ii) Are considered vulnerable as measured by income level, level of education, access to services, employment status, disability and type of housing.
- (iii) Ensuring gender balance, with at least 50% of the beneficiaries being women;
- (iv) Those seeking training in work areas that have been determined in the needs study as being in high demand;

3. Detailed Component Implementation

3.1. Component 1: Skills Development

This component will provide the relevant vocational training opportunities to IDPs. This will be either in the form of classroom-based vocational training or traditional apprenticeship with master trainers.

The activity indicators for this component are:

- 1) Number of applicants to skills development program (long list)
- 2) Percentage of students accepted into the program that are female (at least 50%)
- 3) Number of students attending vocational/apprenticeship trainings (disaggregated by age, gender and place of origin)
- 4) Number of IDPs placed in vocational and apprenticeship programs and types of programs received
- 5) Percentage of apprenticeship and vocational training participants who successfully pass training graduation exam

Mentors

It is planned to have at least 6 mentors who will support the 500 students. There will be 2 intakes of 250 students in each cohort, so approximately 42 students per mentor, per cohort.

Mentors will communicate with the Mentor Coordinator and submit activity information to the coordinator (progress tracking) on a regular basis.

The role of the Mentor Coordinator is to:

- submit summary activity report on mentor's work to the PIU director
- report on any issues of interest to the PIU
- receive and respond to queries from mentors and project participants about the Project
- advise participants and interested parties on the program and provide guidance about mentoring match the project participant with a mentor based on preferences.

Besides their main duties outlined in the ToR's for PIU staff, mentors will also work with 'masters' and other trainers to help them to include basic business concepts in their training (for example: when discussing the materials required for a profession, the trainers should also discuss their cost, how often these materials are needed, how to get materials in bulk or for a better price, etc.). Project participants will be asked to keep a record of the basic

business information. At the end of their technical training, IDPs will participate in a 5-day business training where they will use all the previous information on their selected businesses to develop an initial business plan together with the business training provider. As a final part of this training, beneficiaries will also receive training on managing money, which will include training on managing a basic household budget as well as planning for emergencies and business expansion.

Mentoring is also a way to prevent women from dropping out and support project participants on social issues. For example, if parents are creating obstacles for young participants of the project, or if youth are having trouble arriving to their skills training, or if young women decide to get married, mentor will work with the youth and their families to find ways to solve problems. Mentors will also focus on success in training and in business start-up. They will know if project participants are having trouble learning the material or need additional support when starting business activities. Mentors will also identify participants who are outperforming others and find ways to expand their opportunities further by linking them to micro-credit opportunities or other business development activities. These participants will also be asked to mentor others who are not doing as well. Mentoring would not end with a particular project phase; they would continue to mentor and train project participants after they have completed training and note those who need additional support or can be provided particular opportunities.

Selection of Successful Applicants

A series of IDP community awareness meetings will be held to promote the project and generate interest for people to apply. Mentors will work with the IDPs to support them to complete an application form for vocational training in a chosen profession. This Application Form (Annex 3) will show whether the person is applying for a vocational training or apprenticeship. The applicants will express preference, but at the end the Selection Committee will decide what is the best fit for them. It will also explain that expenses including tuition, transportation and food costs would be covered by the project. Based on the applications received, the PIU will prepare a shortlist of candidates for the Selection Committee to review, revise (as needed) and endorse. The shortlist will confirm the topic and mode of training, whether it is a course or apprenticeship. And the next step will be signing up the beneficiaries.

Data on the following forms (Annex 3) will be collected together with the application:

a. Application form

The Committee will survey each selected beneficiary aiming to collect information about economic status of applicants' family, asking questions about household income and expenditures and its expectations about impact of the program.

b. Annual self-generated household income form

The Committee will employ this tool during the meetings with applicant household heads to track the impact of the program on the household income of beneficiaries.

c. Survey form on local labor market

Selected program beneficiaries will be surveyed by the Committee using this form. It aims to question beneficiaries' knowledge about businesses in their place of residence and if existing businesses are profitable or not.

Application and evaluation period will last for 12 weeks, including 4 weeks for approval of shortlisted candidates and 8 weeks for the application process. The Selection Committee will meet only twice to review the applications. There will be 2 batches and 250 beneficiaries in each cohort. Longlisting will be done by PIU, experts, mentors, and the field staff.

Identification, Selection and Agreement with Training Providers

The whole PIU team will be involved in selection of the training providers and master trainers. The agreement mechanism is explained above. The PIU team, especially the M&E Officer and Mentoring Coordinator will monitor implementation of agreements.

Payments to training providers

Once an applicant for vocational training or apprenticeship is selected by the Selection Committee, the PIU will inform other? applicants about the success of the candidate. They will also be informed about the training topic, its format and approximate commencement time. They will also be notified about the registration deadline, which training provider to apply to, etc. Service contract with training providers will cover approximately 6-month long period (which is the average duration for the trainings in Azerbaijan depending on the course) training or apprenticeship in the chosen vocation, food and all transportation costs for the beneficiary to attend the training.

Training providers will be paid 50% upon confirmation of enrollment of each student and following receipt of an invoice with a list of enrolled students. Each training provider are required to provide information on the students, such as attendance, completion of course, etc.

Each training provider would receive additional funds beyond the cost of tuition per student to provide them with food and transport. These funds will be transferred as part of the payment to the training providers and will be monitored through reports agreed with the PIU.

Vocational Skill Examination

All IDPs will undertake an examination of the basics of knowledge and skills obtained through their training. The training providers will conduct the examination. The examination sessions will be conducted by their relevant exam commissions. They will test students on the material covered in the curriculum of the courses provided to ensure a fair external evaluation. Regardless of being a public or private institution, each entity will have its own exam and issue a certificate. If it is a public VET institution, it will issue a state-authorized certificate. In order to introduce a second chance to pass an exam and to obtain equipment grants financed under Component 2, those IDPs who were not able to pass the exam in the first try will have a chance to repeat their courses with other trainers and after 3 months a new special examination will be organized for them. There will be a small budget allocated to cover roughly 5% of the students who might need another 3-month course.

Monitoring and Evaluation

Data collection against outcome and output indicators will be collected by the Committee according to the schedule identified in the overall project monitoring and evaluation system. A team within the Committee will be responsible for monitoring and evaluating the outcomes of the project. The Results Framework will include indicators which can be reported on at the time of each semi-annual project report.

3.2. Component 2: Job placement and business development support component

This component includes business development activities, job placement and provision of funds for basic tools and equipment to establish new businesses or create jobs. There will also be support to training graduates to help them to access loans to provide assistance to in establishing their own businesses. Among many other tasks, mentors will also identify participants who are outperforming others, and find ways to expand their opportunities further by linking them to micro-credit opportunities or other business development activities.

The main activity indicators for the component are:

- 1) Percentage of business development and soft skills training participants who successfully pass business training graduation exam as a part of the training program
- 2) Number of IDP participants in the business development and apprenticeship/vocational training who gained wage employment
- 3) Number of IDP participants in the business development and apprenticeship/vocational training who became self-employed by establishing their own business
- 4) Percent of successful business plans developed by students and approved by the Selection Committee (those who prefer to get a job, rather than starting a business, are also eligible to receive relevant support)
- 5) Number of interactive meetings between business development participants and micro-credit institutions organized

Mentors' roles and responsibilities

Mentors will start during the 3rd month of the project. Each mentor will roughly support 80 (2 cohorts of 40) students in his/her cohort through the project life. They will be contracted on a competitive basis and work all working days per month and. More details are explained in the Procurement section. The mentors will report to the PIU Director and get paid on a monthly basis.

Main responsibilities

- 1) The mentor is a resource and advisor to introduce the project participants to the Project and other income generating and professional opportunities;
- 2) Support in selection of future business/self-employment areas of beneficiaries and organization of vocational training of beneficiaries (introduction of beneficiaries to relevant vocational training institutions/masters). Mentors will advise them on training providers and this will be used in finalizing the determination of which course or apprenticeship is proposed to the Selection Committee in the short list.
- 3) Provision of necessary information to beneficiaries on business basics through professional business trainings and capacity-building services;
- 4) Upon completion of training, assistance in obtaining a job or developing a business plan and provision of the beneficiary with the necessary advice on how to set up a business, if appropriate;

- 5) Ensure the liaison of component beneficiaries with the private sector, expanding businesses/skills according to the needs of labor market and finding work places by creating linkages with potential employers
- 6) Provide ongoing operational and business sustainability support services (mentoring sessions including but not limited to legal and regulatory advisory services, business registration and formalization, environmental and social screening, access to finance, product development, marketing, networking and accounting, etc.)
- 7) Support participants to prepare applications for equipment and tool grants
- 8) If necessary, assistance with the preparation of documents for credit or leasing purposes;
- 9) Monitoring of beneficiary activities after the establishment of a business in close collaboration with M&E specialist. The mentors' TORs will include monthly reports to be submitted together with timesheets and invoices, which provide an update on each individual they are mentoring and their status.
- 10) Provide follow-up support to the jobs and businesses established within the Project;
- 11) Leverage program beneficiaries' relationships and networks with the business community at local, regional and national level.

Business training, preparation of business plans including proposal for tools and equipment grant, business course examination

For those IDPs who attended minimum 85% of classes and successfully passed the exam, and who intended on starting their own business the Committee will arrange provision of at least a 15-day long training in business skills. It is estimated that at least 70% of the graduates will start businesses and about 30% will land jobs. These sessions will include a 5-day training on business by training providers and a 10-day mentoring support on market research, demand identification, meetings with companies, basic accounting, taxes, etc. Details of the training sessions are given below and a plan is shown.

1. Business management

- Business start-up;
- Financial management;
- Micro-credit comprehension training;
- Developing Business Plans on financing of tools;
- Budgeting and marketing training;
- Inventory management;
- Savings and investments;
- Managing and accessing funds in an emergency;
- Managing funds;
- Skill transmission training for people who are eager to pass their knowledge to others.

2. Introduction to microfinance

- Credit application submission;
- Group and individual loans;
- Agricultural lending;
- Consultative assistance in any sector of entrepreneurship and farming.
- Women in microfinance (supporting IDP women through microfinance consultations/trainings)

3. Business regulations

- Taxes regulation training;
- Legal regulation on private business establishment and registration training;

Training sessions plan:

SESSIONS	TOPICS	DURATION IN DAYS														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Business management	Business start-up	■	■													
	Financial management; Inventory management; Skill transmission training for people who eager to pass their knowledge to others		■	■												
	Development of business plans; Managing and accessing funds in an emergency; Skills for finding a job / networking				■	■										
	Micro-credit comprehension training; Savings and investments Women in microfinance						■	■	■							
	Budgeting and marketing; Managing funds								■	■						
Introducing microfinance	Credit application and submission											■				
	Group and individual loans												■			
	Agricultural lending													■		
	Consultative assistance in any sector (agriculture, entrepreneurship)														■	
Business regulations	Taxes regulation															■
	Legal aspects of establishing a business, registration procedures															■
																■

As part of their business plan development, trainees will make a written proposal for the tools and equipment they require up to the value of US\$ 1,500. The application format for business plans is given as Annex 3. Trainees will be assisted in developing their business plans by mentors.

Approval of Business Plans by the Selection Committee

Business plans will be summarized by the PIU including recommendations and submitted to the Selection Committee for review, revision (as needed) and endorsement. It is expected that the SC members will dedicate a maximum of 2 weeks for this particular task. The Selection Committee will use a transparent procedure to evaluate proposals and to agree on awards for the purchase of equipment. It will evaluate proposals and approve the final beneficiary list and budget. The Selection Committee will make a decision based on the market demand for the type of business or jobs described in the business plans on the adequacy of financial documents including profit and expenditure forecasts, and on the overall quality of the business plan. The applicants who have obtained jobs working for other firms will be assessed against the equipment package they have proposed. They will be asked to provide an endorsement from their employer. In addition, the Selection Committee will verify that all requested equipment is clearly linked to the proposed business and plan.

Mentors will assist/guide individuals who are just seeking relevant jobs in both the public and private sectors. In addition, the PIU will facilitate meetings/panel discussions/presentations with business representatives, employment agencies, etc. to promote employment among IDP beneficiaries.

Provision of equipment packages

Graduates who have passed the vocational training and the business training exams to a satisfactory standard and had their business plans approved by the Selection Committee, will receive equipment and tools packages to facilitate their new business enterprise or employment. The total value of tools and equipment will be maximum US\$ 1,500 per person (including cost of equipment and transportation). The Committee will purchase equipment and tools through shopping method.

For successful applicants, the Committee will organize equipment and tools awarding events and invite local ExCom representatives, donor representatives, parents, micro-credit organizations and local mass media.

Promotion of access to credit

IDPs face several constraints to access formal finance, including their lack of credit history, assets for collateral and business experience, as well as the fact that they often fall outside the legal framework, which makes it impossible to legally enforce a contractual agreement made with them. These reasons, as well as the perception that IDPs expose higher risks, impede their access to finance. As a result, IDP entrepreneurs often must rely on family and friends to fund their business start-up and expansion. In this regard, obtaining the equipment and tools grant will be tremendous contribution for development of business start-ups within the project. Currently there is no special provision for IDPs to receive loans.

The mentors will provide IDP beneficiaries with ongoing technical support in small business development through various activities to link them with Micro-Credit Organizations (MFIs). They will assist beneficiaries in accessing credit, connect IDPs with successful businesses; and deliver business workshops and roundtables, cross visits,

networking, etc. The Committee will liaise with MFIs encouraging them to pay visits and meet with the graduates to discuss micro-credit opportunities. Some banks and non-bank financial institutions might also lend to IDPs if they have a stable job or certain assets, a bank card, taxpayer identification number, etc.

3.3. Component 3: Civic engagement, social cohesion, monitoring and operational support component

This component includes both support for enhancing the capacity of project beneficiaries and other stakeholders to engage actively in their communities, as well as overall project implementation capacity which is largely in the form of the Project Implementation Unit (PIU).

Civic engagement and social cohesion

This component will support design and delivering training for project beneficiaries on access to government services, civic engagement, community participation, establishment of community groups, trust-building and related techniques to support an eventual peaceful and cohesive transition of IDPs to a new living environment.

The Committee is responsible for repatriation of the IDPs to the liberated areas. The 2nd phase of the repatriation to Aghali smart village in Zangilan took place in September 2022. All the relevant government entities are involved in the process. First, a needs assessment is conducted, then infrastructure is provided and the Committee identifies the right people that will move to new settlements.

In addition to participants' training, the component will support GoA to design and implement an intensive citizen engagement initiative with project participants, their households, other IDPs and other interested stakeholders to allow for an ongoing feedback loop between citizens and the government, so that IDP support activities are responsive to the changing needs and aspirations of various groups.

Besides the overall output indicators across the whole Project, the activity indicators for this component are:

- 1) Percentage of beneficiaries surveyed reporting that project activities have improved cooperation between IDPs, CESP, government and other stakeholders. A survey will be used to evaluate this indicator.
- 2) # of people trained on community mobilization and trust-building techniques (of whom women)

Citizen Engagement Service Provider (CESP)

A Citizen Engagement Service Provider (CESP) will be contracted as the main provider of support for the citizen engagement and social cohesion activities under the project. A draft TOR is included as Annex 8, but a brief summary of the activities financed under this contract includes:

- conduct a Citizen Engagement Needs Assessment of IDPs in target areas, including areas where IDPs have newly resettled

- prepare and implement elements of a Citizen Engagement Action Plan for IDPs to support the active engagement of IDPs in the communities where they are living, including areas where IDPs have newly resettled, and in relation to government implementation of recovery and peacebuilding activities;
- design and delivery of a 2-day training in Citizen Engagement and Social Cohesion for all beneficiaries of Components 1 and 2;
- design and delivery regional capacity-building seminars in five target areas for locally-oriented CSOs, to enable them to offer context-based, quality, hands-on trainings for the IDP community members on citizen participation and social cohesion. CSOs can be encouraged to implement various activities identified in the CE Action Plan for IDPs.
- facilitate beneficiary feedback on the implementation of the project to enhance the effectiveness of implementation through to project closure.

CESP roles and responsibilities

CESP will do the following:

- Prepare and submit a detailed work plan and schedule to the State Committee for review and approval.
- Conduct a citizen engagement needs assessment of IDPs living in all target areas as well as the newly settled village of Aghali, Zangilan district, to identify available mechanisms for citizen engagement, current practices of citizen engagement, areas of interest for citizen engagement among IDPs (including resettled IDPs) and local officials/government. Special focus will be placed on vulnerable groups including, youth, elderly, women, persons with disability and with different sexual orientation and gender identity. This needs assessment will include key informant interviews with local officials and IDP leaders (including a balance of males and females), focus groups and reviews of any documentation or digital CE systems to assess their effectiveness and potential.
- Based on the results of the needs assessment, prepare a Citizen Engagement Action Plan for IDPs to build capacity of project beneficiaries, local IDP community leaders and national NGOs to play an active role in national programs for recovery and peacebuilding in the formerly occupied areas, establishment of community groups, trust-building, to support an eventual peaceful and cohesive transition of IDPs to a new living environment. The concept/strategic action plan should include inter alia the target audience(s), context, intended outcomes, appropriate and innovative messages(s) and mechanisms. Conduct a consultative session with the representatives of target audiences to finalize the concept/strategic action plan.
- Design and implement a digital platform/mechanism for IDPs, including beneficiaries, in target areas to provide input into the project and feedback on activities that are implemented. Provide quarterly summary reports to the State Committee on the activities of the digital platform and the ideas which emerge.
- Develop Beneficiary feedback on training; Feedback of employers; monitoring and encouragement of beneficiary engagement in CE activities in their communities.
- Design and convene a customized CE training event for IDPs with disabilities which supports their active participation in community activities and ensures their active participation and input into the project. This may entail partnering with one or more specialized CSOs supporting persons with disabilities.

- Development and delivery of a 2-day training course on civic engagement for all beneficiaries of components 1 and 2. With a target of 500 beneficiaries and a target of 50 participants per course, 10 events would be delivered in total.
- Organize workshops/seminars with innovative and well-developed context, visually appealing and carefully designed materials and regional engagement activities that build capacity of targeted IDPs, active IDP community groups and national/regional CSOs.
- Regional capacity-building seminars in five target areas for locally-oriented CSOs, to enable them to offer context-based, quality, hands-on trainings for the IDP community members on citizen participation and social cohesion. CSOs can be encouraged to implement various activities identified in the CE Action Plan for IDPs.
- Semi-annual reports to the State Committee of Republic of Azerbaijan for Refugees and IDPs on progress as well as a final summary report.

The selected CESP will further outline:

- The needs assessment methodology and the feasibility of various participatory survey methods considering the relevance of focus group discussions and survey methods;
- The sample size;
- The time frame;
- The implementing arrangements including number of researchers and surveyors;
- The intended purpose and scope of the assessment;
- The dissemination strategy for the findings of the needs assessment.

CESP will work with the local IDP community leaders and national NGOs to encourage them to play an active role in national programs for recovery and peacebuilding.

It is very important that the CESP maintain professional relations with governmental and development organizations beyond the life of project. This is particularly important for solving other priority problems, as well as trust-building and peaceful and cohesive transition of IDPs to a new living environment in the future. CESP will involve the government's relevant sectors to work together with the IDP community representative groups. During the life of the project, it will see every possibility to link the community to other private enterprises or organizations that operate in the regions.

4. Institutional Arrangements

4.1. Implementing Agency (IA)

The project will be managed by the State Committee for Affairs of Refugees and Internally Displaced Persons (Committee) with technical support from the Social Fund for Development of Internally Displaced Persons (SFDI). The Committee is the government agency with main responsibility for supporting IDP programs and liaising with the local governance bodies or executive committees. SFDI is an autonomous organization

reporting to a Supervisory Board which is headed by Chairman of the Committee. The SFDI is a non-profit organization.

The Committee will be responsible for the overall management, coordination, and implementation of the project, including supervision oversight of all technical, fiduciary, and administrative matters. The PIU, comprised of staff of the Committee, SFDI and other consultants, as needed, will be established. M&E consultants and mentors will be selected on a competitive basis. The Project will also use the human resources of the Committee's regional offices, but they will not be paid.

The roles and the responsibilities of the PIU in the project are:

- Manage all procurement matters in accordance with procedures agreed with the World Bank
- Carry out all financial management issues in compliance with the World Bank fiduciary requirements
- Prepare overall project progress reports for the World Bank and the Government;
- Prepare, manage and supervise the contracts with service/training providers (CESP under Component 3);
- Ensure administrative, procurement and fiduciary compliance among service/training providers;
- Provide technical support to local Committee offices and take a proactive approach to solving all implementation challenges;
- Oversee and coordinate the activities of the Selection Committee;
- Represent the project to the wider stakeholder community including the Government and donors;
- Coordinate the project with other government and donor-financed and implemented interventions aimed at IDP communities.

SCRI's roles

Overall responsibility for the project lies with SCRI. It puts together a list of working partners with the aim of (i) ensuring the capacity to administer the entire project (ii) ensuring the most comprehensive geographical spread within the areas where most vulnerable IDP are concentrated, and (iii) providing a range of technical resources that enable them to cover the components' tasks.

SCRI takes responsibility for all components to achieve each component's objectives. The roles and responsibilities to be covered by the Committee will include all aspects of project cycle management:

- a. Administration of the project
- b. Monitoring, evaluation and reporting progress to the Committee for Component 3;
- c. Provision of comprehensive community mobilization services;
- d. Provision of a wide range of training and capacity building services;
- e. Provision of high quality technical and professional resource persons in specified fields.

4.2. Selection Committee

The role of SC is to review and approve all proposals for the selection of beneficiaries and recipients of project funds. SC is not to be involved in the operational management of the project implementation by PIU and/or it is not party to the relations between PIU and the service providers contracted by it for the execution of specific services.

SC operates based on the following principles and responsibilities:

- SC is composed of three representatives of entities of the State Committee for Refugees and IDPs, a representative of the State Employment Agency, a representative of the international donor community, United Nations High Commissioner for Refugees (UNCHR). Only these five members have voting rights.
- SC members are designated by the participating entities and appointed in person. Changes in the appointments must be notified by the participating entity to the PIU.
- SC is chaired by the representative of the UNHCR, or if he/she is unavailable by the representative of the State Employment Agency.
- SC meets at least once every six months and/or more frequently upon specific requests made by PIU, to review and decide on proposals for selection of project beneficiaries submitted by PIU. All necessary documentation will be submitted to the SC members at least ten days in advance of the meeting by PIU.
- Minutes of the SC meetings are taken by PIU and final versions of the Minutes are only issued after endorsement by the SC Chair.
- SC meetings can only be held if at least three members are present. Members that cannot attend must inform the SC Chair at least two days prior to the meeting and indicate the reasons (such as illness, conflict with other official duties, etc.).
- Under Component 1, SC will approve 520 participants that will benefit from the project
- Under Component 2, SC will approve business plans

All SC decisions must be based on a majority vote. Voting rights are limited to those SC members participating in the meeting. In the case of a tie the vote of the SC Chair counts double.

Procurement of tools and equipment

Allocated funds will be used to purchase tools and equipment that are needed to create small businesses. The SCRI is responsible to procure the identified goods, tools, and equipment under Component 2. The World Bank will conduct regular supervision and post-review of the procurement procedures on procuring tools and equipment.

Monitoring and Operational Support

The project will finance several individuals who will comprise the Project Implementation Unit (PIU). These include a Project Director (Head of the PIU), a Chief Accountant, a Community Mobilization Specialist, an Office Administrator, a Procurement Specialist, and M&E Specialist, an ESS Specialist, and Mentors.

Detailed terms of reference for each of these roles is included as Annex 7 to this Manual.

In addition to the personnel financed under this component, basic operating costs will cover the cost of vehicle maintenance, fuel, etc. Other operating costs such as the provision of office space, furniture, IT equipment, utilities, etc. will be financed by the State Committee as part of its responsibilities as the implementing agency of the project.

Gender

The Committee will require a target of at least 50% of women beneficiaries for all Components.

The project aims to close the gender gap in economic opportunities through increasing women's engagement in skills and business development. The most recent World Bank Implementation Completion and Results Report (IBRD-8096-AZ and IBRD-8627-AZ, 2020) shows that at the time of project preparation, gender disparities were identified as one of the key challenges for IDP communities. Quantitative and qualitative research showed there were fewer female IDPs in the labor force than female non-IDPs, and those female IDPs who were working tended to have low-paid jobs. Additionally, female-headed IDP households were more likely to be poor than their non-IDP counterparts, with a poverty rate of 32.3 percent for female-headed IDP households compared to 23.6 percent for female-headed non-IDP households. The poverty rates for male-headed IDP households and male-headed non-IDP households were 22.7 percent and 19.4 percent respectively. Addressing gender disparities in IDP communities was cited as an objective in the World Bank - Azerbaijan CPF for 2016-2020.

The project will provide women with training, mentoring, support in business development, and support for women beneficiaries to startup their own businesses. The project will monitor whether the gender gap is decreasing through the main indicators: (i) percentage of project-supported women businesses whose income has increased (disaggregated by gender; target is at least 50 percent of women beneficiaries that have increased their income; baseline is 0 percent); and (ii) number of businesses established by IDP women.

4.3. Project Stakeholders

The project will engage with the following stakeholders at the national level:

- Ministry of Agriculture
Support programs (awareness, agrarian credits, infrastructure, leasing)
- Special Representatives of the President for Karabakh, Zangazur and Shusha
Repatriation efforts in Aghali and other smart villages, also in Shusha
- State Committee for Family, Women and Children:
responsible for overseeing the implementation of the women and youth law and programs. SCFWC will be one of the main government counterparts within the project with main focus on women development.
Women's resource centers will also be involved
- State Employment Agency:
Main partner in implementation of the first and second components –
Selection committee member

- The Project will link project beneficiaries with the initiatives (self-employment program, job placement etc.) implemented by the State Employment Agency
- Ministry of Labor and Social Protection of Population:
the project activities aim to enhance the IDPs capacity of doing business (to deliver necessary skills) through delivery of grants. The Component 2 also includes activities for the grant recipients to have better market linkages. These activities are in line with the MLSPP's objectives and other ongoing national programs. Therefore, the Ministry will be a main stakeholder to ensure the effective collaboration with the target local government officials and to provide guidance and align the project activities with the relevant government policies.
 - UNHCR
One of the members of Selection Committee will be a UNHCR representative
 - International Organization for Migration
Also possibly member of the Selection Committee
They work with IDPs
 - Small and Medium Enterprise Development Agency
Business training (free of charge) opportunities
Help with branding, product placing
 - Ministry of Education and Science (MES) and the State Agency for Vocational Education (SAVE) under the MES
Component 1 will be implemented in partnership with MES and SAVE

5. Procurement

General

Procurement will be carried out in accordance with the World Bank's Procurement Regulations for Investment Project Financing (IPF) Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated November 2020, Fourth Edition (Procurement Regulations) and is subject to the World Bank's Anti-Corruption Guidelines, dated October 15, 2006 (revised in January 2011 and as of July 1, 2016).

PPSD and Procurement Planning

Procurement methodologies for project implementation will be carried out according to the result of Project Procurement Strategy for Development (PPSD) and the resulting Procurement Plan that will be agreed between the PIU and the Bank Project Team. It will be uploaded in Bank's STEP system and will be available in the project's database and in the Bank's external website

PPSD and Market analysis will define the procurement/selection method, market approach and selection arrangements of each procurement activity. The PSD provides adequate justification for the selection methods in the Procurement Plan. The level of detail and analysis in the PSD is proportional to the risk, value, and complexity of the project procurement.

The Procurement Plan, including its updates, shall include:

- a. a brief description of the activities/contracts;
- b. the selection methods to be applied;
- c. cost estimates;
- d. time schedules;
- e. the Bank's review requirements (Risk based Prior or Post review);
- f. the applicable Procurement Documents; and
- g. any other relevant procurement information.

Any modification to the Plan shall be reviewed and cleared by the Bank through online STEP system, prior to commencement of any procurement actions.

Procurement Procedures

As indicated above, objectives of the Project will be achieved through investing in skills development, technical support and the provision of start-up financing that provide opportunities for IDPs to start new micro-enterprise through which IDPs can gain employment and generate their own income.

- (i) For the procurement of goods, the PIU will sign contracts only with the legal entities. In case of procurement of services, the contracts can be signed both with legal entities and individuals.
- (ii) The procurement will be carried out through the following methods:

Selection of Individual Consultants

The Individual Consultants will be selected based on selection of Individual Consultants as per para 7.34 through 7.39 of Procurement Regulations, following one of the three methods:

- Open Competitive Selection of Individual Consultants

Advertisement through publication of Request for Expression of Interest (REoIs). REoIs shall include complete TOR. Individual Consultants are selected from those that expressed interest in response to a REoI.

- Limited Competitive Selection of Individual Consultants

When PIU has knowledge of experienced and qualified individuals and their availability, instead of issuing a REoI, it may invite those individual Consultants (at least 3 qualified candidates) that it deems qualified to provide the required Consulting Services. The complete TOR shall be sent with the invitation. Individual Consultants shall be selected from those that expressed interest in response to the invitation.

- Direct Selection of Individual Consultants

Individual Consultants may be selected on direct selection basis, with due justifications, under the following circumstances:

- a. tasks that are a continuation of previous work that the individual Consultant has carried out after being selected competitively;
- b. assignments with a total expected duration of less than six months;
- c. urgent situations; or
- d. when an individual Consultant has relevant experience and qualifications of exceptional worth to the assignment.

Training of IDPs under Components 1 are expected to be done through established vocational training centers. Only where the required training is not available in the

vocational training centers, or additional instructors/trainers are needed, these will be procured as per this OM.

Need for additional trainers will be identified by the PIU at the trainings arrangement phase. The trainers, as a minimum, shall meet the following requirements: 1) a document proving the trainer's experience and education, depending on the type of the training; 2) shall be registered as a legal person and has a tax identification code; 3) submit training materials and methodology.

Selection of Consultancy Firms

Consulting firms (including NGOs) will be procured using the following method as per para 7.3 through 7.15 of procurement regulations (For details see Annex XII to the Procurement Regulations, Selection Methods.):

- **Least Cost-based Selection (LCS):** Similar to QCBS, LCS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. LCS is generally appropriate for assignments of a standard or routine nature (such as engineering designs of non-complex Works), for which well-established practices and standards exist. The request for proposals document specifies the minimum score for the technical Proposals. Among the Proposals that score higher than the minimum technical score, the Proposal with the lowest evaluated cost is considered the Most Advantageous Proposal.

In all instances of direct selection, the Borrower shall ensure fairness and equity, and shall have in place procedures to ensure that: a. the prices are reasonable and consistent with the market rates for services of a similar nature; and b. the required Consulting Services are not split into smaller-size procurements to avoid competitive processes.

Procurement of Goods & Equipment packages. Upon completion of the trainings, the IDPs will develop business plans and specify tools required for start-up of small business in these business plans. The PIU will prepare a list of required tools for each group graduating from trainings. A list of specifications for toolkits/equipment required for each vocation will be prepared by the PIU team in coordination with the trainers and mentors. The PIU will obtain Quotations as per para 6.7 (Request for Quotation) of Procurement Regulations. Quotations should be obtained through advertisement or, when limited competition is justified, through a request for quotations (RFQ) to a limited number of firms. To ensure competition, the PIU should request quotations normally from not fewer than three (3) firms. These firms shall be given sufficient time to prepare and submit their quotations. RFQs shall include the description, quantity, delivery period, location of the Goods, including any installation requirements, as appropriate. The request shall also indicate the deadline for submission of quotations and specify that quotations may be submitted by letter, facsimile or by electronic means. The evaluation of the quotations and contract award shall be carried out according to the criteria specified in the RFQ. The terms of the accepted quotation shall be incorporated in a contractually binding document.

Following these steps, the Committee prepares an "Contract" to be signed with Supplier, sets the date for signing the Contract and parties sign it. The PIU shall keep records of all proceedings regarding RFQs.

Final list of the tools will be developed based on the bid of the winning firm. Upon approval of the list by the Selection Committee, grant funds will be transferred to the account of the firm.

The tasks and the responsibilities of the PIU are, but not limited to:

- (a) preparation of bidding documents based on the World Bank standard procurement documents for procurement of goods, consulting and non-consulting services and their submission for approval to Tender Committee of PIU. The composition of the tender commission is a single number (at least 5 people), consisting of the PIU team members.
- (c) arranging for evaluation of bids, quotations, and preparing the evaluation reports;
- (d) preparing contracts for signature by the Director of PIU;
- (e) ensuring reliable recording and archiving of all contracts, contract amendments, and related correspondence;
- (f) Keeping STEP updated for all prior and post review contracts, including uploading of all signed contracts, and amendments there to.

No-Objection by the World Bank

Procurement activities, which are subject to prior review as per the agreed procurement plan will require the World Bank’s No objection. For this purpose, PIU will request No Objections through STEP.

Thresholds for Procurement of Goods and Non-Consulting services:

Procurement Method	Procurement	Prior Review
1 - Goods		
International RFB:	>US\$1 Mil	Goods & Non-Consulting Services: USD 1.5 million
National RFB:	≤ US\$1 Mil	
RFQ:	<US\$100 K	
DC:	None	
2- Works		
International RFB & RFP	>US\$10 Mil	
National RFB & RFP	≤ US\$10 Mil	
RFQ	<US\$200 K	
DC	None	

Thresholds for Selection and Employment of Consultants:

Procurement Method	Procurement	Prior Review
3 - Consulting Services Firms		
QCBS		Consulting Firms: USD 500,000 Individual Consultants: USD 200,000
QBS		
FBS		
LCS		
CQS	≤US\$300,000	
DS		

4 - Consulting Services Individuals		
IC		
DS		

Post Review

Contracts not subject to Bank prior review will be reviewed afterwards by the World Bank's

Procurement Specialist assigned to the Project. Such reviews will be made annually. At least one out of five procurement packages not subject to Bank prior review will be examined ex-post.

Documentation & STEP

PIU will upload all relevant documents in STEP, and will also maintain complete records for each activity, which will include complete procurement documentation for each contract, such as Request for Bids (RFQs), Requests for Proposals (RFPs), advertisements, quotations/proposals received, quotations/proposal evaluation reports, minutes of meetings, minutes of negotiations, no objections, letters of acceptance, contract agreements, advance payment guarantees, photocopies of invoices and payments and related correspondence, etc. Contract award information will be promptly recorded in STEP, with final signed contracts uploaded, and contract rosters maintained.

Procurement Arrangements

Procurement of various goods, including equipment, consultants and non-consultant services will be contracted out by the PIU. PIU includes one part-time Procurement Consultant.

6. Financial Management and Auditing

6.1. Financial Management

The Committee is obliged to implement the following:

(a) to maintain a financial management system in accordance with the provisions for financing outlined in Project Agreement.

(b) to ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar semester covering the semester, in form and substance satisfactory to the World Bank.

(c) to have its Financial Statements for the Project audited in accordance with the financial provisions of the Project Agreement. Such audit of the Financial Statements shall cover each fiscal year of the Recipient during which withdrawals from the Project Account were made. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Accountancy Department

The Chief Accountant provides correct reflection of all administrative operations on the accounts, controls on bookkeeping, submission of operative data; timely composing of accounting (*financial*) reports, control on observation of the general principals, economic analysis of financial-administrative activity of the organization.

Financial Policy

Financial policy of the Project is determined by the Chief Accountant.

Chief Accountant takes a direct part in development of the financial policy.

Financial Management Reporting for the project

1C accounting/financial system, a universal cloud system of programs for automating a company's financial and operational activities, is a critical part of the Project's financial management system, and its design and operation are therefore of great importance. The system shall comply with International Accounting Standards, based on principles of double entry bookkeeping.

Semester Interim Financial Reports (IFRs) will include relevant financial information on the Project generated from the computerized financial management system. The financial reports include: (i) Project semi-annual and annual financial statements containing Project section; these reports contain: sources and application of funds; expenditures classified by Project components, disbursement categories, and expenditure types; comparison of expenditures with cost estimates; summary of disbursement records (cash withdrawals, statements of expenditures).

Project Financial Statements

Design Books of Accounts to enable Project financial reporting in accordance to International Accounting Standards (IAS). Under IAS 1, a complete set of financial statements include the following components:

1. Report 2-A (*Project Sources and Uses of Funds*);
2. Report 2-B (*Uses of Funds by Project Component and Expenditure Category*);
3. Report 2-C (*Project Balance Sheet*).

All these reports will, reflect information on Project activities, including breakdown of expenditures incurred under category.

Tax issues

According to the paragraph 165.1.2 of Tax Code of Azerbaijan Republic, - "Import of the goods financed out of the international non-refundable proceeds (*grants*), delivery of the goods under grants, performance of the work and provision of the services are liable to VAT of "0" (zero) degree".

6.2. Auditing

External auditing

The Committee will arrange for external auditing of the Project and the Committee (entity) by independent auditors acceptable to the Bank, under Terms of Reference (TOR) acceptable to the Bank. Acceptable auditing standards are International Standards on Auditing published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (*Auditor's Report on Special Purpose Audit Engagements*) and to relevant World Bank guidelines. The scope of the audit will be determined in agreement with the audit company, and should include audit the Project financial statements, including the audit of the Designated Account established for grant proceeds and disbursements made on basis of Statements of Expenditures. Scope of audit should be adapted as appropriate to identified project risks. The responsibility for preparing the financial statements is that of the Committee/PIU. The auditor's responsibility is to express professional opinion on the financial statements that have been prepared in accordance with International Accounting Standards.

6.3. Reporting Procedures

The Committee is required to produce semi-annual reports reflecting the progress of the Project including activities in quantitative and qualitative terms. The reports will contain data against the agreed indicators for the project.

The report provides comparative analyses as per semesters. The semi-annual report will contain sections highlighting problems and successes in the previous quarter and plans for the next six months, describe follow-up actions on issues highlighted in previous semi-annual reports, and will reflect physical progress in graphic format.

The semi-annual reports also reflect auditor comments.

The annual report is a summary of two semesters of activity and contains the same sections as for the semi-annual report, but in addition will contain the following in the financial section:

- Reaction to the financial auditors' comments;
- Operational budget for the next year;
- The end-of-year financial balance (under request).

The annual report will be submitted to the WB and sent to the various stakeholders for information purposes. The annual report will be finalized not later than 1 month after the end of the calendar year.

Progress report and other various project materials will be made to the public through web-site of the Committee.

7. Environment and Social Framework

7.1 Environmental and Social Commitment Plan (ESCP)

SCRI will implement the Project, as set out in the Grant Agreement. It shall ensure that the Project is carried out in accordance with the Environmental and Social Standards

(ESSs) and the Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Grant Agreement. Unless otherwise defined in the ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement. The ESCP is attached as Annex 9 to this OM.

Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Bank.

As agreed by the Bank and the Recipient, the ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Recipient and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Recipient represented by the Chairman of the State Committee. The Recipient shall promptly disclose the updated ESCP.

7.2 Stakeholder Engagement Plan (SEP)

As outlined in the World Bank's Environmental and Social Policy (ESP) for investment project financing, the Environmental and Social Standards (ESSs) are presented to assist Borrowers to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of projects. Accordingly, **ESS10 - Stakeholder Engagement and Information Disclosure**¹ highlights the importance of open and transparent engagement between the Borrower and project stakeholders and that effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. Thus, the Bank requires the Borrower to develop and implement a Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the project and its potential risks and impacts.

This SEP has been designed for the ILIDP Project components in compliance with ESS 10 for the purpose of engaging with stakeholders as an integral part of the project's environmental and social assessment and project design and implementation, as outlined in ESS1 - Assessment and Management of Environmental and Social Risks and Impacts; thus, ensuring that development and implementation of projects are environmentally and socially sustainable. The SEP is attached as Annex 10 to this OM.

7.3 Labor Management Procedures (LMP)

This Labor Management Procedures identifies the main labor requirements and risks associated with labor and working conditions under the ILIDP Project.

¹ Source (pp 53-64): <http://documents1.worldbank.org/curated/en/383011492423734099/pdf/The-World-Bank-Environmental-and-Social-Framework.pdf>

Overview of the Labor Use in the Project

Direct workers: total number of employees working on the project, i.e. SCRI staff will be 5, these will be considered as *direct workers* for project purposes.

Contracted workers: The project entails two components: 1) skills development and 2) Job placement and business development. For the activities under these components SCRI will hire contracted workers. The contracted workers shall conduct all activities with due care and diligence, in accordance with the contract and with the skill and care expected of a competent provider of information technologies, information systems, support, maintenance, training, and other related services, or in accordance with best industry practices.

Migrant workers or *community workers* are not expected to work on the project.

Assessment of key potential labor risks

Labor and occupational health and safety (OHS) risks: It is anticipated that direct workers (PIU staff) within the framework of the project would perform office operations. Therefore, health and safety risks of these workers are estimated as low. Risks such as excessive overtime hours, irregular wage payments, informal work are not expected.

Sexual exploitation and abuse (SEA) and Sexual harassment (SH): in case of sexual exploitation or any kind of abuse towards the Project direct workers, the case will be regulated by the legislation of the Republic of Azerbaijan. If the abuse of specific nature occurs towards the contracted workers, they will apply their internal policy or regulations (if such exists) or national legislation. All complaints on sexual exploitation and abuse (SEA) and sexual harassment (SH) will be treated safely and confidentially in accordance with the legislation of the Republic of Azerbaijan. If other labor risks arise during project implementation, the SCRI will develop procedures to prevent further impacts.

Grievance Mechanism for employees

The Project will establish Grievance Mechanism for Project Workers, as prescribed in accordance with the ESCP.

The SCRI hotline for grievances is 1657 and the email address is info@refugee.gov.az.

Annex 1. Cities and Regions where the beneficiaries will be selected from

1. Baku
2. Absheron Peninsula
3. Sumgayit
4. Oghuz
5. Gabala
6. Mingechevir city
7. Agdam
8. Agdjabedi
9. Barda
10. Beylagan
11. Fizuli
12. Tartar
13. Samukh
14. Dashkesan
15. Goygol
16. Goranboy
17. Ganja city
18. Yevlakh

Annex 2. Results Framework

Results Framework							
COUNTRY : Azerbaijan							
SPF: Improved Livelihoods for Internally Displaced Persons in Azerbaijan							
Project Development Objectives							
Enhance civic engagement, technical skills and sustainable livelihoods for vulnerable IDP households in Azerbaijan.							
Project Development Objective Indicators							
Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Percentage of participants self-employed or employed by firms		Percentage	0.00	80.00	Once at baseline with follow-up tracer survey ongoing, starting three month completion of first training course.	Baseline data form included as part of the application form. Tracer survey conducted intermittently, but at three months after each participant has completed their course.	M&E Specialist for baseline, Tracer Survey for comparison survey, analysis and reporting.
<i>Description: The total number of individual participants completing their training programs divided by the number of individual participants completing their training programs that have either registered a business or where an employer has verified employment.</i>							
Name: Increase in income of households with individuals participating in the project		Percentage	0.00	50.00	Baseline collected as part of project application. Follow-up survey on an ongoing basis conducted starting six months after training completion through project completion.	Household survey form completed by applicants as part of the applications as well as follow-up household surveys conducted prior to project closure. [or six months after training completion to allow data to come in before the end of the project]	M&E Specialist and additional evaluation consultants, as needed.
<i>Description: Total income of participant incomes reported at the time of applying for project enrolment divided by the total income of participant income reported before project completion.</i>							
Name: Percentage of registered participants completing training and receiving certificates		Percentage	0.00	85.00	Twice, once upon registration and once upon training certification.	Reports provided by training providers.	M&E Specialist, training providers.
<i>Description: Total number of participants receiving certificates divided by the total number of registered participants.</i>							
Name: Beneficiaries of job-focused interventions	✓	Number	0.00	500.00	Once	Total number of household members of applicants accepted into the project for training support.	M&E Specialist
Beneficiaries of job-focused interventions - Female	✓	Number	0.00	250.00	Once	Total number of household members in female participants accepted into the project for training support.	M&E Specialist
<i>Description:</i>							
Name: Percentage of beneficiaries taking a more active role in their communities		Percentage	0.00	50.00	Twice	Application form completed by project applicants as well as a follow-up questionnaire conducted as part of the follow-up survey after training completion.	M&E Specialist
Percentage of beneficiaries taking a more active role in their communities - female		Percentage	0.00	50.00			
<i>Description: Total number of individuals registered for training support who report an higher level of community activity compared to the level reported at the time of project application.</i>							
Intermediate Results Indicators							
Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Number of local governments participating in training on civic engagement		Number	0.00	15	Semi-annually	Reports provided by NGOs	NGO, M&E specialist
<i>Description: Total number of local government units who attended trainings</i>							
Name: Percentage increase in participant knowledge of civic engagement concept and methodologies		Percentage	0.00	75.00	Semi-annually	Beneficiary feedback on trainings; evaluations reports of conducted training/seminars; data collected during the events	NGO
For persons with disabilities and representatives of organizations of persons with disabilities		Percentage	0.00	75.00			
<i>Description: Total number of individuals who benefited from citizen engagement initiatives and reported on increased citizen participation and cohesion</i>							
Name: Number of villages/towns where training participants were displaced from		Number	0.00	50.00	Semi-annually	Reports provided by NGOs, Attendance sheet, Project area map	NGO, M&E specialist
<i>Description: Total number of villages/settlements/towns covered under the project</i>							
Name: Percentage of new businesses and employment still active after six months		Percentage	0.00	75.00	Semi-annually	Follow-up household surveys conducted prior to project closure. [or six months after obtaining E&T packages to allow data to come in before the end of the project]	M&E Specialist and additional evaluation consultants, as needed.
<i>Description: Total number of businesses/jobs created by project which still generate profit after six months</i>							
Name: Digital citizen engagement platform created and operational		Yes/No	N	Y	Quarterly reports on the activities of the digital platform	Reports provided by NGOs	NGO, M&E specialist
<i>Description: digital platform/mechanism for IDPs, including beneficiaries, in target areas to provide input into the project and feedback on activities are launched</i>							

Annex 3. Application form

SPF: IMPROVED LIVELIHOODS FOR INTERNALLY DISPLACED PERSONS IN AZERBAIJAN Application Form

1. Applicant's name:
2. Date of birth:
3. Gender: Male ____ Female _____
4. Location information:
City:
District:
Village:
Settlement:
5. Which vocational training are you applying for?
6. Why did you decide to apply for this training?
7. How do you think this training program will improve your life?
8. If you are not admitted to this training or apprenticeship, what is your second preference?
9. Please explain your choice.
10. Do you have housing?

Yes _____ No _____
11. What is your household income per month?
12. What is your level of education?

Secondary education _____ Vocational education and training _____ Higher education _____
13. Are you currently employed?
Yes _____ No _____
14. Do you work for some company or do you have your own business?
15. Do you have any disability?
Yes _____ No _____
16. If you have any disability, please specify _____

Annex 4. Post training completion survey

SPF: IMPROVED LIVELIHOODS FOR INTERNALLY DISPLACED PERSONS IN AZERBAIJAN Post-training completion Survey

1. Name:
2. Date of birth:
3. Gender: Male _____ Female _____
4. Current address:
5. Place of origin:
6. Currently do you have any income? Yes _____ No _____
7. If yes, how much money do you make per month?
8. If you work for someone else, where do you work? (Town/village/Settlement):
9. What is the name of the company?
10. What is your position?
11. If you are self-employed, please tell us about your business.
12. What do you do with the income you generate?
 - a) Spend on my basic needs
 - b) Spend on my leisure
 - c) Spend on somebody else. Please specify _____
 - d) Other _____ Please specify
13. Do you support your community? Yes _____ No _____
14. If yes, please specify in what ways you support your community.
15. Approximately how many hours per week do you support your community?
16. Do you feel that your voice is heard by the local government? Yes _____ No _____
17. Do you think you are sufficiently involved in decisions and processes that affect your community?
Yes _____ No _____
18. Would you like to take a more active role in your community? Yes _____ No _____
19. If yes, what else would you like to do?

20. Do you participate in elections? Yes ____ No ____
21. Do you contact public officials, when needed? Yes ____ No ____
22. Do you take part in campaigns that affect your community? Yes ____ No ____
23. Do you volunteer for your community? Yes ____ No ____
24. Are you a member of any civic association/group? Yes ____ No ____
25. Are you a member of any school association? Yes ____ No ____
26. Which training did you receive?
27. Which session(s)/part(s) did you find particularly useful and why?
28. How have these activities supported you in developing your skills? Please provide examples.
29. How do you rate the overall Project support?
 - a) unsatisfactory, b) satisfactory, c) good, d) excellent
30. Your suggestions in further improving the Project support to you/your community
31. If your plan was to launch a business, were you able to do it? Yes ____ No ____
32. If not, why? Please provide details.

ANNUAL SELF-GENERATED HOUSEHOLD INCOME

Beneficiary name	
Village	
District	
Date	

#	Source of income in beneficiary's household	Monthly amount	Self-gen Y/N
1	Government subsidies – bread money		
2	Government subsidies – other		
3	Salaries		
4	Wages		
5	Sales livestock products – milk		
6	Sales livestock products – cheese		
7	Sales livestock products – meat		
8	Sales livestock products – eggs/poultry		
9	Sales livestock products - other		
10	Sales crops – specify		
11	Sales crops – specify		
12	Sales crops – specify		
13	Sales vegetables		
14	Other income (specify)		
15	Other income (specify)		
16	Other income (specify)		
17	Other income (specify)		
18	Other income (specify)		
19	TOTAL INCOME (ADD 1-18)		
20	TOTAL SELF-GENERATED (ADD 1-2)		
21	Percentage (20/19x100)		

Annex 5. Baseline survey form

**SPF: IMPROVED LIVELIHOODS FOR INTERNALLY DISPLACED PERSONS IN
AZERBAIJAN
Baseline Survey**

1. Name:
2. Date of birth:
3. Gender: Male _____ Female _____
4. Current address:
5. Place of origin:
6. How did you find out about this training opportunity?
 - a) Parents
 - b) Friends
 - c) Community meeting
 - d) Other _____ (please specify)
7. Who decided that you should apply for this training?
 - a) Yourself
 - b) Your parents
 - c) In consultation with my parents/friends
 - d) Some else _____ (Please specify)
8. Who will decide on the following:
 - a) What job you will eventually have Self ____ Parents ____ Spouse ____ Others ____
 - b) How to spend money that you will earn Self ____ Parents ____ Spouse ____ Others ____
9. Currently do you have any income? Yes ____ No ____
10. If yes, how much money do you make per month?
11. If you work for someone else, where do you work? (Town/village/Settlement):
12. What is the name of the company?
13. What is your position?
14. If you are self-employed, please tell us about your business.
15. What do you do with the income you generate?
 - e) Spend on my basic needs
 - f) Spend on my leisure
 - g) Spend on somebody else. Please specify _____
 - h) Other _____ Please specify
16. Do you support your community? Yes ____ No ____

17. If yes, please specify in what ways you support your community.
18. Approximately how many hours per week do you support your community?
19. Do you feel that your voice is heard by the local government? Yes ____ No ____
20. Do you think you are sufficiently involved in decisions and processes that affect your community?
Yes ____ No ____
21. Would you like to take a more active role in your community? Yes ____ No ____
22. If yes, what else would you like to do?
23. Do you participate in elections? Yes ____ No ____
24. Do you contact public officials, when needed? Yes ____ No ____
25. Do you take part in campaigns that affect your community? Yes ____ No ____
26. Do you volunteer for your community? Yes ____ No ____
27. Are you a member of any civic association/group? Yes ____ No ____
28. Are you a member of any school association? Yes ____ No ____

ANNUAL SELF-GENERATED HOUSEHOLD INCOME

Beneficiary name	
Village	
District	
Date	

#	Source of income in beneficiary's household	Monthly amount	Self-gen Y/N
1	Government subsidies – bread money		
2	Government subsidies – other		
3	Salaries		
4	Wages		
5	Sales livestock products – milk		
6	Sales livestock products – cheese		
7	Sales livestock products – meat		
8	Sales livestock products – eggs/poultry		
9	Sales livestock products - other		
10	Sales crops – specify		
11	Sales crops – specify		
12	Sales crops – specify		
13	Sales vegetables		
14	Other income (specify)		
15	Other income (specify)		
16	Other income (specify)		
17	Other income (specify)		
18	Other income (specify)		
19	TOTAL INCOME (ADD 1-18)		
20	TOTAL SELF-GENERATED (ADD 1-2)		
21	Percentage (20/19x100)		

Annex 6. Local labor market and business plan form

Survey on local labor market (selected student)

1. Information about the respondent:

Name: _____ Date of birth _____
Current address _____ Place of in _____
Male/Female _____ Selected profession: _____

2. Do you have any information about kind of business exists in your settlement?

- _____
- _____
- _____
- _____

3. How many people in your settlement have the same profession as you want to select?

Number _____

4. How many are working now?

Number _____

5. Are their businesses profitable?

- Most profitable _____
- Less profitable _____
- No profitable _____

6. If you think that your future business will be profitable explain why?

- _____
- _____
- _____

Local Labor Market Survey Summary

7. *Businesses surveyed in the community*

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

8. *Which businesses are most profitable?*

9. *Which businesses are least profitable?*

10. *Which businesses are hiring more employees?*

11. *What skills do they need?*

BUSINESS PLAN

submitted by the IDPs who successfully completed vocational and business training

(Name, Surname)

(Business address)

Age		Name of community	
Business sector		Business type	

Business description

Equipment/Resources needed for business development

Name of equipment/resource	
----------------------------	--

Future business development plans

How do they see their businesses after obtaining the equipment/resources within the grant?

	Current	
Sell		
Cost price		
Income		
Business expenses		
Business profit		
Linkage with micro-credit institutions		

Note:

Signature:

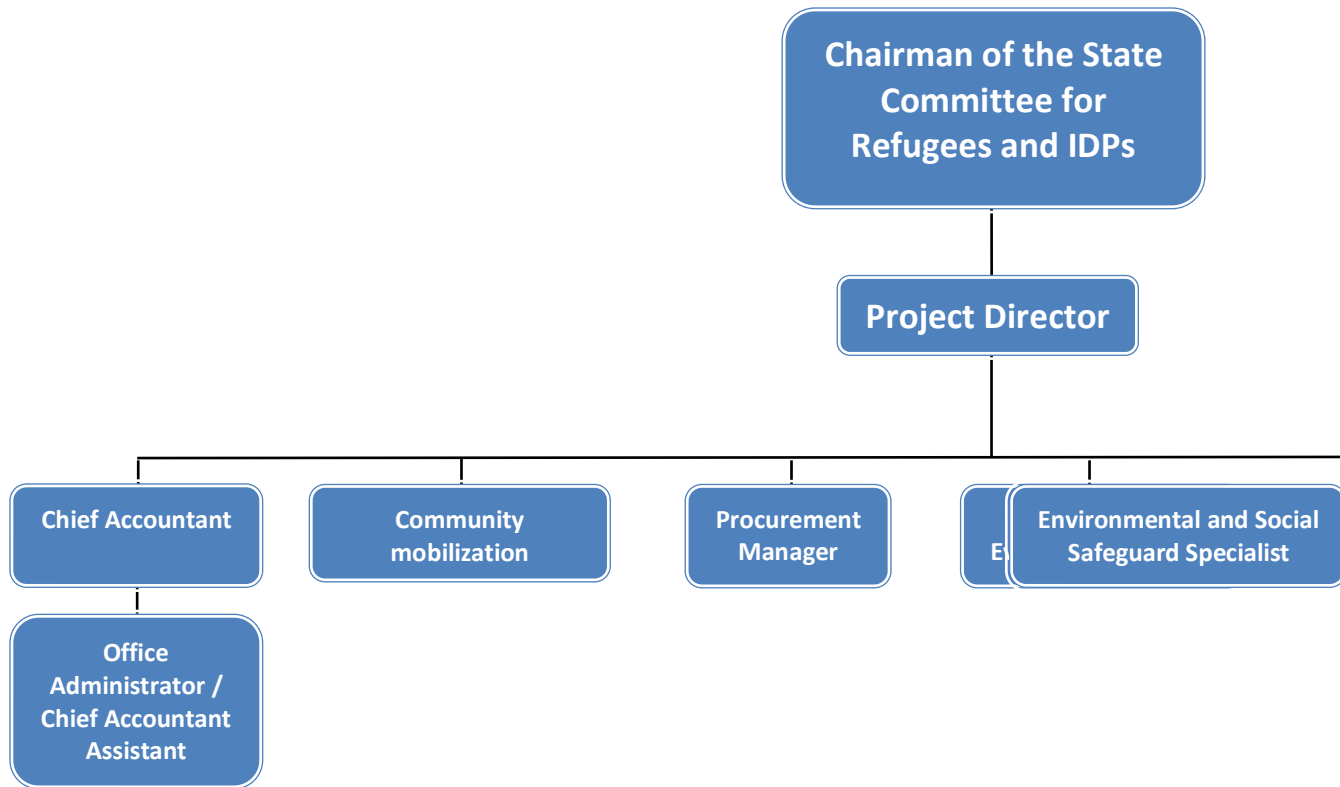
Annex 7. Organizational chart

State Committee
For Affairs of Refugees and Internally Displaced Persons
of the Republic of Azerbaijan

Organization chart of the PIU

Baku, 2022

Organizational Chart of the PIU



Annex 8. TORs of PIU staff

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Project Director (Head of the PIU)

The Main Duties:

- Familiarizing PIU's staff with the Operational Manual and supervising compliance of the staff with procedures and rules of the Operational Manual;
- Testing procedures and rules of the Operational Manual and if necessary, taking relevant actions for changes;
- Supervise activity of the PIU's staff;
- Supervise the proper implementation of financing operations within the Project cycle;
- Supervise the implementation of monitoring and evaluation;
- Control objective selection of the applications submitted by the IDP communities;
- Be in contact with World Bank team regarding the progress of the Project and participate in discussions during WB mission visits;
- Supervise making necessary changes and corrections to the Procurement Plan;
- Supervise the reliance of implementation of works within all components of the Project to the appropriate working schedule;
- To coordinate activity of the and environmental and social specialist;
- Preparing general semi-annual reports (and other required reports) for World Bank based on the reports prepared by the key staff;
- Supervise the skills development, job placement and community development support cycles and compliance to the procedures of the OM;
- Make field temporary visits to project sites;
- Working closely with the World Bank Project Team and Country Office, missions and consultants and Project stakeholders;
- Coordinate with relevant government stakeholders and ensure that all necessary government reporting is undertaken within the State Committee and beyond.

Requirements and Qualifications:

Education

- Masters or equivalent university degree in social policy and administration;

Experience and Knowledge

- At least five years of relevant senior level project management experience;
- Excellent understanding of public administration system in Azerbaijan;
- Relevant experience and exposure to the World Bank and other development IFI projects would be an asset;
- Excellent understanding of IDP issues;
- Experience in design and implementation of social and economic development support projects for IDPs or other socially vulnerable groups of population would be an asset;

- Experience of community work or working with community-based organizations would be an asset;

Other skills

- Demonstrated leadership skills;
- Excellent team work and team building experience;
- Superb organizational and decision making skills;
- Demonstrated supervisory/leadership skills, including ability to empower, motivate, mentor and supervise staff;
- Excellent communication and presentation skills;
- Excellent report writing and official communication skills;
- Skills in budget monitoring and management of public procurement (knowledge of the World Bank or other development IFI procurement and fiduciary guidelines would be an asset) ;
- Excellent command of spoken and written Azeri and English;
- Proficiency in using Office software and basic IT equipment;

Work Conditions:

The Director should be willing to travel to the regions as required.

Terms of the Contract:

The Project Director is hired by contract for the term of 36 months with the possibility to extend the contract after the evaluation of his/her work performance. The Project Director will report to the WB Task Team Leader about the project implementation, provide timesheets and reports on regular basis, get approve on payments, etc.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Chief Accountant

The Main Duties:

- Chief Accountant organizes accounting in accordance with the current regulations of the Government of Azerbaijan and World Bank requirements, provides correct reflection of all administrative operations on the Accounts, controls on bookkeeping, submission of operative data, timely preparation and submission to the related bodies accounting (*financial*) reports and controls the compliance with the general principals and responsible for their accuracy;
- Chief Accountant reviews compliance submitted main (*invoice, receipt, etc.*) and additional documentation with Bank and statutory requirements. He/she provides accounting control. All payment orders are authorized by chief accountant's signature. Chief Accountant together with Director of the PIU signs the documents on acceptance of goods, materials, funds, resources and is responsible for timely and correct payment of funds;

The Duties of Accountant also include the following:

- Timely preparation and submission of Withdrawal Applications to the World Bank for Designated Account Replenishment;
- Cooperate with Ministry of Finance, international and local financial institutions;
- Reconciliate World Bank funds to account. Preparation of applications and reconciliation statements for internal payments;
- Prepare and submit to the World Bank and Government Agencies required reports as per agreed format and term;
- Prepare and update annual project budgets, as needed.
- Organize annual project audit as per the project Grant Agreement, involving external audit companies;
- Supervision of keeping of all indicated above records in 1 C 2.0 Accounting Software;
- Supervision of reconciliation of PIU cash books with the bank statements;
- Follow the rules and procedures of the Operational Manual and other PIU's documents;
- Calculation salary of the staff and supervision of salary schedule. Implement accountant activity, including small-scale cash exercises (*all receipts and cash payments recorded in continuously updated cash-book*) and calculation of salary schedule;
- Contribution in the development of the Operational Manual, Financial Plan;
- Management of financial transaction on "*Improved Livelihoods for Internally Displaced Persons in Azerbaijan*" carried out under WB administered State and Peacebuilding Fund grant and preparation of financial statements for the Azerbaijani Republic Ministry of Finance.
- Chief Accountant is the member of Project Steering Committee.

Requirements and Qualifications:

Education

- A university degree in the area of finance/accounting;
- Certified Accountant Practitioner certificate will be considered as an advantage;

Experience and Knowledge

- Knowledge of Azerbaijani Accounting and tax regulations;;
- Knowledge of budget system regulations of the Azerbaijani Republic;
- At least 5 year of practical working experience;
- Fluent Azeri, good level of English;
- Knowledge of international financial reporting standards;
- Previous experience in maintaining accounting records in the 1C 2.0 based accounting software;
- Knowledge of relevant policies and procedures of the World Bank relating to financial management and disbursement;

Other skills

- Working experience in international organizations as finance or accounting specialist;
- Good level of English speaking and writing skills;
- Ability to work and communicate well with others.

Work conditions:

The Chief Accountant will mainly reside in Baku. Sometimes there will be need in business trips.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Community Mobilization Specialist

The Main Duties:

The Community Mobilization Specialist will report directly to Director. The main duties of the Specialist are followings:

- Supervising the dissemination of information about the objectives, goals and activities of Project at the republican and local levels;
- Working closely with the Monitoring and Evaluation Specialist to collect relevant qualitative and quantitative data on communities;
- Manage the technical evaluation of the Citizen Engagement Service Provider, monitor and support their work
- Producing lists of target communities based on the criteria described in the OM;
- Coordinating, overseeing and ensuring the quality of community mobilization activities implemented under all components of the Project;
- Ensure the maximum involvement of community members in the project activities;
- Support and train the PIU staff to help target beneficiaries to draft their proposals;
- Facilitate community participation in various areas of interest such as business/ income generation, social, health, etc.
- Managing the grievance redress procedures and producing quarterly reports on received grievances;
- Maintaining fruitful relations with the local authorities/executives, NGOs, international donor organizations and maintaining these stakeholders informed about project activities relevant to them.

Education

- A graduate (masters or higher) degree in the area of social sciences (sociology, management, political science or related discipline);

Experience and Knowledge

- A minimum of 5 years of experience in activities requiring management responsibilities. This would include demonstrated supervisory/leadership skills, including ability to empower, motivate, mentor and supervise staff;
- At least 7 years direct experience in the use of consultative and participatory approaches for key stakeholders in economic and social development projects, including groups who are under-represented (e.g., the poor);
- At least 8 years of work experience with IDPs and refugees;
- Possesses demonstrated skills and direct work experience with at least one or more of the following: public consultations; participatory research methods (including observation, surveys); participatory rural and urban appraisal; participatory poverty assessments; participatory monitoring and evaluation; grievance redress mechanisms.
- Relevant experience in the design and implementation of World Bank and/or donor-financed social and economic development projects would be an asset, especially familiarity or

experience with projects that involve integration of community groups and local governments;

- Excellent report writing and official communication skills are required;
- Experience of community work or working with community-based organizations would be an asset;

Other skills

- Fluency in Azeri;
- Good written and spoken English is required;
- Excellent computer skills (MS Windows, MS Excel, Word);
- Ability to work with vulnerable groups;

Work Conditions:

The Community Mobilization Specialist will be ready for the regular business trips.

Terms of the Contract:

The Community Mobilization Specialist is hired by contract for the term of 30 months with the possibility to extend the contract after the evaluation of his/her work performance.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Office Administrator / Chief Accountant Assistant

The Main Duties:

The Office Administrator will be in charge of all the issues to office management, administration and logistics, personnel and human resources development issues, participation in the PIU Steering Commission and staff performance evaluation. The Office Administrator reports to the Director.

- Demand from the PIU's staff timely and effective performance of their duties, the terms and conditions specified in the labor contracts;
- Calling to account the staff members when breaking the terms of the labor contracts and internal rules of the PIU pertaining to their duties and responsibilities;
- Contribute to the implementation of the administrative policy;
- Assist the Director in staff management;
- Checking the employees attendance on monthly basis and provide relevant reports;
- Preparation of the PIU orders (on staff hiring, designation, other human resources issues, structural changes, business trips and etc.) and controlling their execution;
- Archiving the PIU's documentation concerning the tender and human recourses department;
- Keeping records in Project Account of PIU, development of the transactions and disbursements fulfilled by using Project Account in 1 C 2.0 Accounting Program using International Accounting Standards (*IAS*), preparing and submitting to the Chief Accountant all non-petty cash reports. Making payments through Project Account upon submitted invoices including transactions for construction, design works and consultants;
- Keeping records of the preliminary documents regarding the afore-mentioned transactions and disbursements (*preparing and keeping way-bills and invoices*);
- Assist to the Chief Accountant in maintain financial management and internal control systems, including, financial statements and reports, all in accordance with the accounting standards acceptable to the World Bank, and internal and external audit systems;
- Assist to the Chief Accountant with the preparation of applications and reconciliation statements for internal payments;
- Assist (*i.e. producing initial information for composing required reports*) to Chief Accountant in preparing reports to the statutory authorities, including: Ministry of Finance (*monthly and annual*), tax authorities (*quarterly income (salary) tax reports, other tax accounts and annual Balance Sheet*), State Department of Statistics (*quarterly and annual*), Ministry of Economics (half year and annual), State Committee of Refugees and IDPs (*periodical and cumulative annual*);
- Keep all indicated above records in 1 C 2.0 Accounting Program;
- Perform other requests of the Chief Accountant for better execution.

Requirements and Qualifications:**Education**

A university degree in the area of finance/accounting (minimum bachelor degree, master's degree preferred);

-

Experience and Knowledge

- At least three years of relevant experience and exposure to office administration and management;
- Ability to develop and install effective office procedures;
- Demonstrated understanding of PIU's work program objectives and broader context in which it operates;
- Good knowledge of national procedures for procurement and a practical experience in the preparation of tender documents;

Other skills

- Reasonable skills in basic accounting, office budget implementation and monitoring;
- Good skills in management of office procurement;
- Excellent report writing and official communication skills;
- Excellent team work skills;
- Excellent command of spoken and written Azeri;
- Proficiency in using Office software;
- Working knowledge of the operation of office machines and equipment;
- Accuracy and punctuality;

Terms of the Contract:

The contract is signed for the term of 36 months with the possibility to extend the contract depending on successes in the work performance.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE**Procurement Specialist**

The procurement manager will have to conduct, oversee, advice and support procurement processes in compliance with the World Bank procurement regulations for IPF Borrowers and the Law of Azerbaijan Republic on “State Procurement”.

The Main Duties:

- Preparation of bidding documents, receiving the World Bank “no-objection” for bidding documents;
- Publishing SPN, holding, clarification of bidding documents, receiving and opening the bids;
- Receiving WB “no-objection” for contract awards and informing unsuccessful bidders and releasing bid securities;
- Preparation of draft contracts, obtaining WB concurrence for draft contracts, signing contracts and submitting copy of the final contract to the WB;

Required Qualifications:**Education**

- Higher education (minimum bachelor degree, master’s degree preferred) in either economics, business administration, engineering or management;

Experience and Knowledge

- At least 3 years of experience of management of procurement processes, preferably in World Bank or other donor funded projects;
- Knowledge of Azerbaijan Procurement Rules;

Other skills

- Fluency in Azeri and English;
- Good computer skills (knowledge of MS Windows, MS Excel, Word).

Terms of the Contract:

The Procurement Manager is hired by contract for the term of 30 months with the possibility to extend the contract after the evaluation of his/her work performance.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Monitoring and Evaluation Specialist

The Main Duties:

- Supervise and monitor whole Project cycle implemented by PIU in accordance with the procedures of the Operational Manual;
- Carry out monitoring organizing meeting with IDP communities on Project;
- Collect data on Project and carry out evaluation using special survey form;
- Establish and manage a Management Information System (MIS) – preferably with online visibility so that results can be shared with various stakeholders - which captures all data required for project reporting and facilitates the generation of reporting on outputs and outcomes under the project;
- Closely cooperate with the Community Mobilization Specialist to provide active participation of beneficiaries in preparation of the monitoring and evaluation reports, including implemented works;
- Provide updates on the Results Framework indicators for the project for the semi-annual project reports, and on an ad hoc basis as needed.
- Analyze, generalize, submit reports on monitoring of Project impact on beneficiaries on each of the components;
- Provide information about the Project implementation through the Committee’s website and maintain it on regular basis
- Update paragraphs of the Operational Manual when required.

Requirement and Qualifications:

Education

- A university degree in the area of social sciences (minimum bachelor degree, master’s degree preferred);

Experience and Knowledge

- At least 3 years of experience in accordance with the community participation methodology;
- At least 5 years of work experience with IDP;

Other skills

- Fluency in Azeri (English is an advantage);
- Excellent computer skills (MS Windows, MS Excel, Word);
- Ability to work with vulnerable people.

Work Conditions:

The Monitoring and Evaluation Specialist will be ready for the regular business trips for monitoring of the implemented works.

Terms of the Contract:

The Specialist is hired by contract for the term of 24 months with the possibility to extend the contract after the evaluation of his/her work performance.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Environmental and Social Safeguard Specialist

The Main Duties:

The Social and Environmental Specialist shall be guided by the provisions of the project Environmental Management Plan. Specific tasks to be implemented by the Social and Environmental Specialist are as follows:

- Provide assistance to the PIU in screening of proposed businesses plans and assigning environmental category;
- If and as necessary, visit proposed business location sites to assess baseline conditions and potential site-specific impacts;
- Advise on anticipated environmental impacts and possible mitigation measures, and on relevant type of environmental review to be undertaken; review project specific environmental documentation and give recommendations as needed, to applicant and communities;
- Participate in evaluation of submitted proposals and advise on environmental eligibility and acceptability of proposals;
- Provide contribution to the PIU's regular progress reports on the project implementation;
- Undertake awareness raising activities for the PIU staff and potential beneficiary communities. This can be done by series of workshops where potential environmental issues and good environmental management practices can be presented;
- Collaborate with the World Bank Environmental Specialist in Baku, as needed, and provide environmental documentation and information upon request.

Reporting Requirements and Timing:

The Social and Environmental Specialist will report to the Director Unless otherwise required, the Social and Environmental Specialist will provide monthly reports to The Director on overall environmental compliance of the Project.

Requirements and Qualifications:

Education

- University degree in Environment; with adequate orientation towards rural development and/or agriculture;

Experience and Knowledge

- Min. 3 years experience in development of sustainable environmental projects;
- Min. 3 years experience in environmental aspects of demand-driven community development projects;
- Experience in preparation of Environmental Assessments / Management Plans and environmental training programs for governmental organizations, NGOs and local communities for different types of the project,
- Strong experience in environmental problems prioritization, tools and methodology development, project management at local and regional experience
- Exposure to development work with international organizations required;

Other skills

- Excellent interpersonal and communications skills;
- Demonstrated ability to work in a team;
- Needs to accept to travel frequently within and between the Project zones and to relate closely on project matters with targeted beneficiaries;
- Possessing sound Information Technology (IT) skills, in particular experience with WinWord and Excel programs (MS Office).
- A working knowledge of the English language would be an added advantage.

Work Conditions:

The Social and Environmental Safeguard Specialist will be ready for the regular business trips for monitoring of the implemented works.

Terms of the Contract:

The Social and Environmental Safeguard Specialist is hired by contract for the term of 20 months with the possibility to extend the contract after the evaluation of his/her work performance.

STATE COMMITTEE FOR AFFAIRS OF REFUGEES AND
INTERNALLY DISPLACED PERSONS

TERMS OF REFERENCE

Mentors to support IDPs to create sustainable jobs/livelihoods

The Main Duties:

- The mentor is a resource and advisor to introduce the project participants to the Project and other income generating and professional opportunities;
- Create the selection process of student entrepreneurship initiatives to participate in the program activities;
- Support in selection of future business/self-employment areas of beneficiaries and organization of vocational training of beneficiaries (introduction of beneficiaries to relevant vocational training institutions/masters);
- Provision of necessary information to beneficiaries on business basics through professional business trainings and capacity-building services;
- Assistance in developing a business plan;
- Support in determination of a list of required assets;
- If necessary, assistance with the preparation of documents for credit or leasing purposes;
- Provision of the beneficiary with the necessary advice on how to set up a business;
- Monitoring of beneficiary activities after the establishment of a business in close collaboration with M&E specialist;
- Provide follow-up support to the jobs and businesses established within the Project;
- Submit monthly, quarterly and annual basis reports;

Education

- A university degree in the area of economics, business or rural development ((minimum bachelor degree, master's degree preferred);

Experience and Knowledge

- At least 5 years of work experience with IDPs and refugees;
- At least 3 years of experience working in the area of entrepreneurship education and business transformation, legal regulation or other relevant fields;
- Demonstrated experience working with IDP communities in the region of responsibility through participatory methods is required;
- Demonstrated experience in the delivery of social programs or development projects within the region of responsibility is an asset;
- Entrepreneurial attitude and collaborative disposition comfortable working with vulnerable people
- Experience working with small and medium enterprises in the target areas.

Demonstrate ability to understand the business environment in the target location especially within the purview of small and medium entrepreneurial ecosystem.

Other skills

- Fluency in Azeri

Work Conditions:

The Consultant will be ready for the regular business trips.

Terms of the Contract:

The Consultant is hired by contract for the term of 24 months with the possibility to extend the contract after the evaluation of his/her work performance.

Annex 9. Draft Terms of Reference for “Citizen Engagement Service Provider”

Draft

TERMS OF REFERENCE

Project Title: Improved Livelihoods for Internally Displaced Persons in Azerbaijan

Assignment Title: Citizen Engagement Service Provider

Assignment objective: to design and implement an intensive citizen engagement initiative with a focus on the benefits of civic participation and building social cohesion in IDP-concentrated communities, including in a new living environment.

Agency: State Committee of Republic of Azerbaijan for Refugees and IDPs

Duration of assignment: November 20, 2022 – November 20, 2024.

Location: Baku and selected regions

State Committee of Republic of Azerbaijan for Refugees and IDPs will use a series of innovative approaches (possibly including engaging community groups, engaging NGOs, capacity building tools, utilizing various social marketing techniques, etc.) to respond to the changing needs and aspirations of IDPs.

The proposed interventions will target the project participants, their households, other IDPs and other interested stakeholders to help to build social cohesion in IDP-concentrated communities that may be undergoing a significant socio-economic transition in the coming months and years.

I. BACKGROUND

The three-year project “Improved Livelihoods for Internally Displaced Persons in Azerbaijan” aims to improve government policy and program implementation on recovery and peacebuilding while also increasing the skills, access to support services and opportunities for income generation of vulnerable IDP households in Azerbaijan. The project is funded by the State and Peacebuilding Fund (SPF) of the World Bank and implemented by the State Committee of Republic of Azerbaijan for Refugees and IDPs at the national level.

This objective will be achieved through the following activities:

Component 1: Skills development: support IDPs who are interested in pursuing business/employment opportunities through a package of technical assistance which will consist of vocational training through apprenticeship schemes in the formal and informal sector, business development support and mentoring, and other life skills.

Component 2: Job placement and business development support: organize training, mentoring, business, and employment support services to support the IDPs for sustainability of the newly created businesses and jobs.

Component 3: Civic engagement, social cohesion, monitoring and operational support: capacity building training for project beneficiaries on access to government services, civic engagement, community participation, establishment of community groups, trust-building and related techniques to support an eventual peaceful and cohesive transition of IDPs to a new living environment.

II. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED SERVICES

Within the component 3, the project is seeking the services of local civil society organization (CSO) **to design and implement an intensive citizen engagement initiative with a focus on the benefits of civic participation and building social cohesion in IDP-concentrated communities, including those in new living environment in Azerbaijan.**

The specific activities of the subject assignment are as follows:

- Prepare and submit a detailed work plan and schedule to the State Committee for review and approval.
- Conduct a citizen engagement needs assessment of IDPs living in 4 of the target areas as well as the newly settled village of Aghali, Zangilan district, to identify available mechanisms for citizen engagement, current practices of citizen engagement, areas of interest for citizen engagement among IDPs (including resettled IDPs) and local officials/government. Special focus will be placed on vulnerable groups including, youth, elderly, women, persons with disability and with different sexual orientation and gender identity. This needs assessment will include key informant interviews with local officials and IDP leaders (including a balance of males and females), focus groups and reviews of any documentation or digital CE systems to assess their effectiveness and potential.
- Based on the results of the needs assessment, prepare a Citizen Engagement Action Plan for IDPs to build capacity of project beneficiaries, local IDP community leaders and national NGOs to play an active role in national programs for recovery and peacebuilding in the formerly occupied areas, establishment of community groups, trust-building, to support an eventual peaceful and cohesive transition of IDPs to a new living environment. The concept/strategic action plan should include inter alia the target audience(s), context, intended outcomes, appropriate and innovative messages(s) and mechanisms. Conduct a consultative session with the representatives of target audiences to finalize the concept/strategic action plan.
- Design and implement a digital platform/mechanism for IDPs, including beneficiaries, in target areas to provide input into the project and feedback on activities that are implemented. Provide quarterly summary reports to the State Committee on the activities of the digital platform and the ideas which emerge.
- Develop Beneficiary feedback on training; Feedback of employers; monitoring and encouragement of beneficiary engagement in CE activities in their communities.
- Design and convene a customized CE training event for IDPs with disabilities which supports their active participation in community activities and ensures their active participation and input into the project. This may entail partnering with one or more specialized CSOs supporting persons with disabilities.
- Development and delivery of a 2-day training course on civic engagement for all beneficiaries of components 1 and 2. With a target of 500 beneficiaries and a target of 50 participants per course, 10 events would be delivered in total.
- Organize workshops/seminars with innovative and well-developed context, visually appealing and carefully designed materials and regional engagement activities that build capacity of targeted IDPs, active IDP community groups and national/regional CSOs.
- Regional capacity-building seminars in five target regions for locally-oriented CSOs, to enable them to offer context-based, quality, hands-on trainings for the IDP community members on citizen participation and social cohesion. CSOs can be encouraged to implement various activities identified in the CE Action Plan for IDPs.
- Semi-annual reports to the State Committee of Republic of Azerbaijan for Refugees and IDPs on progress as well as a final summary report.

III. MONITORING AND EVALUATION:

The selected CSO will work under the supervision of the Director of PIU and in close cooperation with the project consultant, the delegated representatives of the State Committee of Republic of Azerbaijan for Refugees and IDPs and Agency for State Support to NGOs.

IV. ELIGIBILITY CRITERIA:

- Have registration as a legal non-profit entity.
- Have proven experience of at least three years in planning and implementation of extensive civic engagement and capacity building programs.
- Specific experience with public institutions and community partnerships for promoting civic engagement and social cohesion will be considered an advantage.
- Have demonstrated capacity to develop and execute successful, impactful, and culturally sensitive capacity building programs and awareness campaigns on sensitive topics.
- Experience working with internally displaced persons (IDPs).
- Specific experience with innovative and context-specific national projects will be considered an asset.

Annex 10. Stakeholder Engagement Plan

**State Committee for Affairs of Refugees and Internally Displaced Persons of
the Republic of Azerbaijan**

**Stakeholder Engagement Plan for the Improved Livelihoods for IDPs in
Azerbaijan Project (ILIDP)**

Financed by the State and Peacebuilding Fund (SPF)

November 2022

TABLE OF CONTENTS

1	INTRODUCTION/PROJECT DESCRIPTION	1
	1.1 Introduction	1
	1.2 Project Overview	1
	1.3 Purpose and Objectives of SEP	2
2	REGULATIONS AND REQUIREMENTS	3
	2.1 Relevant National Laws and Regulations of Azerbaijan	3
	2.1.1 Main Legislation Concerning Employment Support	3
	2.2 World Bank Environmental and Social Standard on Stakeholder Engagement	5
3	STAKEHOLDER IDENTIFICATION AND ANALYSIS	6
	3.1 Project-Affected Parties	6
	3.2 Other Interested Parties	6
	3.3 Disadvantaged/vulnerable individuals or groups	6
4	STAKEHOLDER ENGAGEMENT PROGRAM	7
	4.1 Planned Stakeholder Engagement Activities	7
	4.2 Detail on Engagement Methods to be Used	10
	4.2.1 Public/community meetings	10
	4.2.2 Communication materials	10
	4.2.3 Mass/social media communication	10
	4.2.4 Information Desks	10
	4.2.5 Implementation of Grievance Redress Mechanism	10
	4.2.6 Capacity Building Trainings and Workshops	11
	4.3 Proposed Strategy / Differentiated Measures to Include the Views of and Encourage Participation by Vulnerable Groups	11
	4.4 Information Disclosure	11
5	ROLES, RESPONSIBILITIES AND RESOURCES FOR STAKEHOLDER ENGAGEMENT	12
	5.1 Implementation Arrangements	12
	5.2 Timeframe	12
	5.3 Roles and Responsibilities	12
6	GRIEVANCE REDRESS MECHANISM	12
	6.1 Establishing the Project GRM	13
	6.2 Protocols and Procedures for Serious Grievances	14
	6.3 Grievance Logs	14
	6.4 Monitoring and Reporting on Grievances	15

6.5	<i>Central point of contact – PIU</i>	15
6.6	<i>World Bank Grievance Redress System</i>	15
7	MONITORING AND REPORTING	15
7.1	<i>Monitoring Reports in the Course of the Project (By Component, As Relevant)</i>	15
7.2	<i>Reporting Back to Stakeholder Groups</i>	16
8	ANNEXES	17

Acronyms and Abbreviations

AP	-	Affected Person
CA	-	Control Authority
CBOs	-	Community Based Organizations
EHS	-	Environment, Health and Safety
E&S		Environment and Social
ESCP	-	Environmental and Social Commitment Plan
ESF	-	Environmental and Social Framework
ESMF	-	Environmental and Social Management Framework
ESMP	-	Environmental and Social Management Plan
ESP	-	Environmental and Social Policy
ESS	-	Environmental and Social Standard
FGD	-	Focus Group Discussion
FPP	-	Focal Point Person
GBN	-	Gender Based Violence
GoA	-	Government of Azerbaijan
GRC	-	Grievance Redress Committees
GRM	-	Grievance Redress Mechanism
GRS	-	Grievance Redress Service
IBRD	-	International Bank for Reconstruction and Development
IDPs	-	Internally Displaced People
LMP	-	Labor Management Procedures
MoF	-	Ministry of Finance
NGO	-	Non-Government Organization
OP	-	Operational Policy
OIP	-	Other Interested Parties
P-AP	-	Project-Affected Party
PAP	-	Project Affected Person
PIU	-	Project Implementation Unit
SCRI	-	State Committee for Affairs of Refugees and Internally Displaced Persons
SEP	-	Stakeholder Engagement Plan
SEA	-	Sexual Exploitation and Abuse
SEP	-	Stakeholder Engagement Plan
SIA	-	Social Impact Assessment
SMEDA	-	Small and Medium Entrepreneurship Development Agency
ToR	-	Terms of Reference
WB	-	World Bank
WBGRS	-	World Bank's Grievance Redress Service

1 INTRODUCTION/PROJECT DESCRIPTION

1.1 Introduction

As outlined in the World Bank's Environmental and Social Policy (ESP) for investment project financing, the Environmental and Social Standards (ESSs) are applied to projects for assisting Borrowers to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of projects. **ESS10 - Stakeholder Engagement and Information Disclosure**² highlights the importance of open and transparent engagement between the Borrower and project stakeholders and that effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. Thus, the Bank requires the Borrower to develop and implement a Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the project and its potential risks and impacts.

This SEP is prepared for the ILIDP in consistency with ESS 10 for the purpose of engaging with stakeholders as an integral part of the project's environmental and social assessment and project design and implementation, as outlined in ESS1 - Assessment and Management of Environmental and Social Risks and Impacts; thus, ensuring that the project preparation and implementation is undertaken in the environmentally and socially sustainable manner.

1.2 Project Overview

The Project Development Objective (PDO) is to increase the skills, access to support services and opportunities for income generation of vulnerable IDP households in Azerbaijan. The project will also support Government capacity to prepare and implement livelihood programs targeted to vulnerable IDPs. The main beneficiaries will be IDPs that are currently identified as poor and vulnerable due to their living conditions.

The project is financed with a grant from the State and Peace Building Fund and administered by the World Bank. The State Committee for Affairs of Refugees and IDPs (SCRI) is the grant recipient and the project implementing agency. The State Committee has established a Project Implementation Unit (PIU) for day-to-day management of the project.

Summary of project components activities and targets

To achieve the PDO, the project has three main components linked and mutually reinforcing. Together, the components aim to improve socio-economic opportunities and inclusion of IDPs in the target communities.

Component 1: Skills development

This component will support IDPs who are interested in pursuing business/employment opportunities through a package of technical assistance which will consist of vocational training, business development support and mentoring, and other life skills. The objective of this component is to provide selected IDPs an opportunity to learn a trade and subsequently develop new businesses

² Source (pp 53-64): <http://documents1.worldbank.org/curated/en/383011492423734099/pdf/The-World-Bank-Environmental-and-Social-Framework.pdf>

and obtain jobs in the places they reside. The component will fund a participatory household survey to determine the need and potential demand for various local businesses.

Component 2: Job placement and business development support

This component will fund training, mentoring, business and employment support services to build the capacity of IDPs who successfully completed vocational training and support the sustainability of the newly created businesses and jobs. It aims to support IDPs in their efforts to establish new businesses or work, generate income, employ IDP community members, and deliver goods and services that benefit their communities and society at large. The component will also facilitate meetings between participants, commercial banks and micro-credit agencies, for the purpose of extending support for business growth and ongoing assistance to those who decide to take out loans.

Component 3: Civic engagement, social cohesion, monitoring and operational support

This component will support training for project beneficiaries on access to government services, civic engagement, community participation, establishment of community groups, trust-building and related techniques to support an eventual peaceful and cohesive transition of IDPs to a new living environment. Such support will help to build social cohesion in IDP-concentrated communities that may be undergoing a significant socio-economic transition in the coming months and years. In addition to participants' training, this component includes support to the GoA to design and implement an intensive citizen engagement initiative with project participants, their households, other IDPs and other interested stakeholders (e.g. tracer/beneficiary surveys, beneficiary feedback/grievance mechanisms, joint government-civil society project committee) to allow for an ongoing feedback loop between citizens and government so that IDP support activities are responsive to the changing needs and aspirations of various groups. This component would also include resources for overall project implementation, monitoring and evaluation and communications by the State Committee through the PIU.

1.3 Purpose and Objectives of SEP

The overall objective of this SEP is to establish an organized program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle following the objectives outlined in *ESS10* as follows:

- To establish a systematic approach to stakeholder engagement that will help the Recipient identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties;
- To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance;
- To promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them;
- To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format stakeholder engagement and Information Disclosure; and
- To provide project-affected parties with accessible and inclusive means to raise issues and grievances and allow the Recipient to respond to and manage such grievance.

The SEP provides ways to identify potential different stakeholders, including disadvantaged and vulnerable groups, to develop an approach for reaching each of the subgroups, to create a mechanism by which Project Affected Parties (PAPs) and Other Interested Parties (OIPs) can raise concerns, provide feedback, or make complaints, and to minimize and mitigate environmental and social risks related to the proposed project. Overall, SEP serves the following purposes (*ESS10*):

Stakeholder identification and analysis;

- (i) Planning how the engagement with stakeholders will take place; (iii) disclosure of information;
- (ii) Consultation with stakeholders;
- (iii) Addressing and responding to grievances; and
- (iv) Reporting to stakeholders.

2 REGULATIONS AND REQUIREMENTS

2.1 Relevant National Laws and Regulations of Azerbaijan

2.1.1 Main Legislation Concerning Employment Support

Pertinent to the Stakeholder Engagements, the **Constitution of Azerbaijan** (November 12, 1995), as the fundamental law of the land, among others, establishes the legislative principle for the employment of the citizens of Azerbaijan; thus, provides for the following:

- The Right to civil participation is stipulated in *Article 54.1* - “right of citizens of the Republic of Azerbaijan to participate in the political and civic life without impediments”.
- Freedom of Information – The Constitution guarantees the right to information in three aspects:
 - (i) *Article 39* (Right to live in a healthy environment) – “Everyone has the right to gain information about the true ecological situation and to get compensation for damage done to his/her health and property because of violations of ecological requirements”;
 - (ii) *Article 50* (Freedom of Information) – provides that
 - Everyone is free to look for, acquire, transfer, prepare and distribute information;
 - Freedom of mass media is guaranteed. State censorship in mass media, including press is prohibited.
 - (iii) *Article 57 para 1* - which gives citizens the right to petition state bodies.

The Labor Code of the Republic of Azerbaijan (*dated February 1, 1999, № 618-IQ*) is the fundamental legislative act aimed at governing relations between employees and employers, as well as other legal relations derived from such relations between them and relevant national authorities and entities. The Code also stipulates health and safety related requirements and principles. In addition, the work conditions of women and under-aged are established.

The Law of the Republic of Azerbaijan on Employment № 1196-VQ dated June 29, 2018, defines legal, economic and organizational basis of state policy in the employment field, as well as state guarantees to citizens in the field of labor and to unemployed persons in the field of social protection. This update and supersedes the previous law “On Employment”, dated July 2, 2001.

Law of the Republic of Azerbaijan No 768-IIQ dated October 5, 2004 on Living Wage (as amended by Law No. 109-IIIQD dated May 12, 2006, and Law No. 260- IIIQD dated March 6, 2007) describes the principles and procedures of setting the living wage in the Azerbaijan Republic and its state support, as well as its increase in consistence with the social and economic development in the country.

Azerbaijan became a member of the ILO in 1992, and **so far, has ratified 60 Conventions, including 7 important Conventions** (“Forced Labour” No.29, “Discrimination (Employment and Occupation)” No.111, “Employment policy” No.122, “Employment service” No.88, “Vocational Rehabilitation and Employment (Disabled Persons)” No.159 Conventions) of this organization.

2.1.2 National Legal Requirements on Citizen Engagement and Disclosure

Law of the Republic of Azerbaijan No 1308-IVQ dated September 30, 2015, on the procedure for considering appeals of citizens. According to the law, any citizen has a right to appeal to state and municipal bodies, and to legal entities owned by state or municipality, in written or oral form and these appeals have different procedure from appeals to Ombudsman or information requests and may not be anonymous.

Law of the Republic of Azerbaijan dated September 30, 2005 on the right to obtain information. This Law establishes the legal framework for ensuring free, unrestricted and equal information access as prescribed by Article 50 of the Constitution, whereby 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.

Law of the Republic of Azerbaijan № 816-IVQ dated November 22, 2013, on public participation.

This law provides the framework and regulates the involvement of citizens in the implementation of state management in accordance with the *Article 49* (Freedom of assembly) of the Constitution. The law stipulates that public participation consists of:

- Participation in various areas of state and public life, the preparation and implementation of the state policy and the adoption of national and local decisions;
- Participation in public control over the activity of central and local executive authorities, local self-government bodies;
- Participation of civil society institutions in the process of consultations of state and local self-government bodies with the public and in the study of public opinion (through Public Councils).

The law considers the following forms of public participation:

- **Public Councils** under central and local executive authorities, local self-government bodies;
- **Public discussions** during the adoption of decisions of public important;
- **Public hearings** on draft legal acts and different issues of state and public life;
- **Study of public opinion**;
- **Public discussion** of draft legal acts;
- **Written consultations** on the study of opinions of civil society institutions on draft legal acts.

In addition to the described legislative acts, the environmental and social impact assessment process also should include disclosure and stakeholder engagement activities, as per Azerbaijan legislation.

The **Law on Environmental Impact Assessment (EIA Law, 2018)** covers scope, procedure and responsibilities for Environmental Impact Assessment, as well as public consultation and disclosure requirements during environmental assessment.

According to the Law the Client (Implementing Agency) has to inform the local population and society in the project area through the media and public hearings and inform them of the results of the EIA before committing the intended activity (Article 12.1.4).

The Client should conduct public hearings in accordance with the Law of the Republic of Azerbaijan “On Public Participation” and involve individuals, legal entities, as well as property owners (Article 4.10). Information on the results of the public hearings and discussions should be included in the EIA document (Article 5.3.12).

The law also specifies the responsibilities of municipalities for the public hearing activities (Article 11). Thus, the relevant municipality in the area where the project (or intended activity) is implemented, must take part in the implementation of the EIA and provide the necessary information required for the preparation of the EIA document. In addition, the municipalities should assist people and legal entities, real estate owners, as well as other stakeholders (non-governmental organizations, citizens' initiative groups and neighborhood committees of municipalities, etc.) to participate in public consultations, if requested by them.

In addition, people and civil society institutions have the right to request the client and the planning organization to hold public hearings on the EIA (13.2.2).

2.2 World Bank Environmental and Social Standard on Stakeholder Engagement

The World Bank’s Environmental and Social Framework (ESF) that came into effect on October 1, 2018, includes Environmental and Social Standard (ESS) 10 Stakeholder Engagement and Information Disclosure. This ESS10 recognizes “the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice” that can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation (*ESS10 par 1*).

ESS10 applies to all projects supported by the Bank through Investment Project Financing requiring the Borrower to engage with stakeholders as an inclusive process to be conducted throughout the project life cycle (*ESS10 par 2*). In conformance to the World Bank’s ESF, ESS10 prescribes the following (*ESS10 pars 6-9*):

- Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
- Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.
- The process of stakeholder engagement will involve the following, as set out in further detail in the ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
- The Borrower will maintain and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

ESS10 par. 21 stress on the need for meaningful consultation “in a manner that provides stakeholders with opportunities to express their views on project risks, impacts, and mitigation

measures, and allows the Borrower to consider and respond to them Meaningful consultation will be carried out.” *ESS10 par. 21* elucidates “meaningful consultation” as a two-way process, that:

- (a) Begins early in the project planning process to gather initial views on the project proposal and inform project design;
- (b) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; on an ongoing basis as the nature of issues, impacts and opportunities evolves
- (c) Continues on an ongoing basis, as risks and impacts arise;
- (d) Is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders;
- (e) Considers and responds to feedback;
- (f) Supports active and inclusive engagement with project-affected parties;
- (g) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and
- (h) Is documented and disclosed by the Borrower

3 STAKEHOLDER IDENTIFICATION AND ANALYSIS

ESS10 provides the definition of “stakeholder” that refers to individuals or groups who: (a) are affected or likely to be affected by the project (project-affected parties); and (b) may have an interest in the project (other interested parties).

3.1 Project-Affected Parties

Project-Affected Parties (PAPs) are those that are affected or likely to be affected by the project and because of their particular circumstances, may be disadvantaged or vulnerable. This group are likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits (*ESS10 pars. 5&11*)

3.2 Other Interested Parties

Other Interested Parties (OIPs) are those who may have an interest in the project and would have different concerns and priorities about project impacts, mitigation mechanisms and benefits, and who may require different, or separate, forms of engagement (*ESS10 pars. 5&11*). Generally, these are people, social groups and organizations who may have a possibility to influence and make decisions on implementation of the project and/or may have an interest in the Project. This group includes governmental entities, NGOs and private businesses, who may benefit from the project. It is envisaged that all three components of the Project share the same OIPs as shown below.

3.3 Disadvantaged/vulnerable individuals or groups

Disadvantaged/vulnerable individuals and groups are those who may not have the voice and agency to express their concerns or understand the impacts of project and can thus be excluded from stakeholder engagement or project benefits.

The project will incorporate differentiated measures to ensure that these groups receive project related information, are consulted with, and have the means to participate and express their views and concerns on the project.

4 STAKEHOLDER ENGAGEMENT PROGRAM

The Stakeholder Engagement Plan is an important component of the ESF Document for the ILIA Program which takes into account the main characteristics and interests of the stakeholders, and the different levels of engagement and consultation that will be appropriate for different stakeholders. This will lay out the steps to engage all types of stakeholders in the project for the purpose of improving the environmental and social sustainability of projects, enhancing project acceptance, and making a significant contribution to successful project design and implementation. The SEP activity types and their frequency are adapted to the three main project stages of project design; construction; post-construction and operation phase.

4.1 Planned Stakeholder Engagement Activities

The table below presents the stakeholder engagement activities envisaged under the project.

Table 1: Planned stakeholder engagement activities

<i>Project stage</i>	<i>Target stakeholders</i>	<i>Topic(s) of engagement</i>	<i>Method(s) used</i>	<i>Location/frequency</i>	<i>Responsibilities</i>
1. Detailed Design	Project-Affected Parties: People residing in project area; Disadvantaged/ Vulnerable households	Assistance in filling out documents; Project scope and rationale; Project E&S Standards; Grievance mechanism process	Public meetings, trainings/workshops, separate meetings specifically for women and vulnerable; Mass/Social Media Communication - phone calls Disclosure of written information - Brochures, posters, flyers, website Information board – at the beginning and at the end of project sites; Grievance mechanism	Project launch meetings in Rayons; Monthly meetings in affected municipalities and villages; Communication through mass/ social media (as needed); Information desks with brochures/ posters in affected municipalities (continuous)	SCRI (Environment & Social [ES]Team, Community Liaison Officer);

<i>Project stage</i>	<i>Target stakeholders</i>	<i>Topic(s) of engagement</i>	<i>Method(s) used</i>	<i>Location/frequency</i>	<i>Responsibilities</i>
1. Detailed Design	Other Interested Parties (External) Rayon (including Village representatives)	Project scope, rationale and WB's ESS; Grievance mechanism process	Face-to-face meetings; Joint public/community meetings	Monthly (as needed)	SCRI (E&S team);
1. Detailed Design	Other Interested Parties (External) Press and media; NGOs; Businesses and business organizations; Workers' organizations; Academic institutions; National Government Ministries; Local Government Departments; General public	Environmental Impact Assessment Process; Grievance mechanism process; Project scope, rationale and WB's ESS	Public hearings/meetings, trainings/workshops; Mass/Social Media Communication Disclosure of written information – EIA, brochures, posters, flyers, public relations kits, SCRI website; Information boards – at the beginning and at the end of project sites; Grievance mechanism; Project tours for media, local representatives	Project launch meetings; Monthly meetings in affected municipalities and villages; Communication through mass/social media (as needed); Information desks with brochures/posters in affected municipalities (continuous)	SCRI (E&S team)
1. Detailed Design	Other Interested Parties (External) Other Government Departments; Other project developers reliant on or in the vicinity of the Project and their financiers	Project information - scope and rationale and WB's ESS; Coordination activities; Land acquisition process; Environmental Impact Assessment Process; Grievance mechanism process	Face-to-face meetings and FGDs; Invitations to public/community meetings	As needed	SCRI (E&S team)

<i>Project stage</i>	Target stakeholders	Topic(s) of engagement	Method(s) used	Location/frequency	Responsibilities
1. Detailed Design	Other Interested Parties (Internal) Other Staff; Supervision Consultants;	Project information - scope and rationale and WB's ESS; Training on ESIA and other sub-management plans; Grievance mechanism process	Face-to-face meetings and FGDs; Training/workshops; Invitations to public/community meetings	As needed	SCRI (E&S team)

4.2 Detail on Engagement Methods to be Used

In conformance to *ESS10 B - Engagement during project implementation and external reporting (pars. 23-27)*. Stakeholder engagement will be in place throughout the entire project implementation through a number of possible methods discussed herein,

4.2.1 Public/community meetings

Prior to other ILIA Project related activities, at the time of disclosure of relevant project documentations and this SEP, SCRI will arrange for a project briefing meeting on a national level, involving the stakeholder agencies. As the need arises, the briefing meeting can be held once at the start, and another can be arranged if the need arises or if there are major changes in the project.

4.2.2 Communication materials

ILIDP information will be disclosed to the public via a variety of means of conveying project information and updates via printed materials consisting of brochures, flyers, posters, etc. The communication materials will be produced by the SCRI-PIU and to be made available at SCRI. A "Public Relations Kit" will be designed specifically and be made available both in print and online form. SCRI/PIU will also update its website regularly (at least on a quarterly basis) with key project updates and reports on the project's performance both in Azerbaijani and English. The website can also be utilized to provide information regarding the grievance mechanism for the project.

4.2.3 Mass/social media communication

During the project implementation, a designated Environmental and Social Specialist (from SCRI-PIU staff) will be responsible for maintaining close communication with stakeholders, including PAPs, community leaders. The Environmental and Social Specialist, as the main Focal Point Person (FPP), will also be tasked for posting relevant information on the dedicated Project website, social media channels (Facebook, etc.) and on information boards throughout the project's lifecycle. In addition, if necessary, the project may arrange for production of video materials (for video-sharing platform, e.g., YouTube) or documentary broadcast on TV/cable TV and which will entail description of the project, advance announcement of the forthcoming public events or commencement of specific Project activities.

4.2.4 Information Desks

During the initiation of the Project, an "Information Desk" in each Rayon will be arranged with Executive Committees to provide local residents with information on stakeholder engagement activities, project interventions, contact details of the Focal Point Person (FPP), etc. The FPP will set up these information desks in Rayon offices where they can meet and share information about the project with PAPs and other stakeholders. The Project brochures and fliers on various project related social and environmental issues will be made available at these information desks.

4.2.5 Implementation of Grievance Redress Mechanism

In compliance with the World Bank's ESS10, a project-specific grievance mechanism will be set up for the Project to handle complaints and issues. Specific for the Project, a GRM brochure or pamphlet will be developed to help local residents become familiar with the grievance redress channels and procedures. Locked suggestion/complaint boxes will be installed in each Executive Committee offices, and SCRI-PIU will maintain a grievance register in order to capture and track grievances from submission to resolution and communication with complainants. In addition, other channels will be set up by the PIU for people to log in project related grievances such as the SCRI/PIU website, e-mails, Facebook account, and mobile phones of relevant offices. Information on these channels will be displayed broadly, as well as on the locked suggestion/complaint boxes as alternatives.

Grievances will be addressed as follows:

- (i) Contractor's and SE's safeguards staff to initially record the grievance

- (ii) provision contact data of SCRI-PIU hotline for grievances
- (iii) The grievance redress book will contain records of all grievances and updated
- (iv) Provision of summary in a semiannual or quarterly report.

4.2.6 Capacity Building Trainings and Workshops

Capacity Building Trainings and Workshops on a variety of topics and issues may be provided to SCRI-PIU and possibly relevant government or non-government service providers. Issues covered will include sensitization to inclusion/exclusion, labor issues, gender, etc.

4.3 Proposed Strategy / Differentiated Measures to Include the Views of and Encourage Participation by Vulnerable Groups

Considering the extra burden and difficulty of Disadvantage and Vulnerable Groups, ESS10 par. 16 specifies that the “SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources may be needed for communication with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them.”

To this end, the project will take special measures to ensure that disadvantaged and vulnerable groups have equal opportunity to access information, provide feedback, or submit grievances. Project workers, especially those working as social specialists for the SCRI-PIU or the consultants hired by SCRI-PIU shall find ways to reach out to these groups and provide the necessary awareness briefings about the impacts of the project.

Focus group discussions (FGD) tailored to the groups’ circumstances may also be envisaged as appropriate and information will be provided in the language that can be understood by them. Accordingly, people with restrictions on physical mobility (persons with disabilities, or limited mobilities), who may be affected even indirectly should be provided facilitation to voice out their opinions and their views appropriately considered. Targeted measures to ensure participation in stakeholder engagement will be used, such as organizing consultations at different times convenient for different groups, providing transportation arrangements if needed and reaching out to spatially isolated communities..

4.4 Information Disclosure

The current SCRI website is being used to disclose project documents, including those on social performance in Azerbaijani and English.

All future project-related social and environmental monitoring reports listed in the above sections may be disclosed on the same SCRI webpage, including Project updates, an easy-to-understand guide to the terminology used in the social and environmental reports or documents, and all relevant information as also found in printed materials. The details about the Project Grievance Resolution Mechanism will have a special electronic grievance submission form, which will also be made available on the website. Contact details of the Environmental and Social Specialist (the Focal Point Person in this case) and contact office particulars shall be made available on the website. The project website will be updated for P-APs and other stakeholders.

5 ROLES, RESPONSIBILITIES AND RESOURCES FOR STAKEHOLDER ENGAGEMENT

5.1 Implementation Arrangements

The project will be implemented by SCRI. The already established PIU 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 operating, a Monitoring and Evaluation Specialist and Environmental and Social Specialist will also join the PIU to ensure the regular

monitoring of the project result framework and adherence with the World Bank's ESF, including implementation of the SEP.

5.2 Timeframe

This Project SEP will be regarded as a living document and needs to be updated and refined throughout the lifecycle of the Project to incorporate and reflect any changes in the project. Any changes in the focus and scope of the SEP will be communicated SCRI-PIU to stakeholders. The crucial project-cycle phases to be considered when implementing SEP are.

- **Design/Plan:** the process of assuring that systems and components of the Project are designed, provided, and maintained to prescribed / agreed requirements in technical terms as well as the World Bank's ESSs relevant for the Project;
- **Implementation:** the process and activities are realized as intended with all the requirements as per the World Bank's ESSs relevant for the Project.

5.3 Roles and Responsibilities

For the implementation of the SEP, the Project SEP Team will include an SCRI-PIU Environmental and Social Specialist. The Environmental and Social Specialist will carry responsibility for consistency of Project-supported activities with the ESSs relevant for the Project. The Environmental and Social Specialist shall take responsibility for and lead all aspects of the stakeholder engagement. However, to implement the various activities envisaged in the SEP, the Communications and Community Coordinator/s (possibly two (2) staff) will need to closely coordinate with other key stakeholders. The roles and responsibilities of these actors/stakeholders are summarized in the Table below.

6 GRIEVANCE REDRESS MECHANISM

As per ESS10 C – Grievance Mechanism, the Borrower is expected to respond to concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner (*ESS10 par. 26*). Further, "Where feasible and suitable for the project, the grievance mechanism³ will utilize existing formal or informal grievance mechanisms, supplemented as needed with project-specific arrangements (*ESS10 par. 27*). The major considerations are as follows:

- (i) The grievance mechanism is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution. The mechanism, process or procedure will not prevent access to judicial or administrative remedies. The Borrower will inform the project-affected parties about the grievance process in the course of its community engagement activities, and will make publicly available a record documenting the responses to all grievances received; and
- (j) Handling of grievances will be done in a culturally appropriate manner and be discreet, objective, sensitive and responsive to the needs and concerns of the project-affected parties. The mechanism will also allow for anonymous complaints to be raised and addressed.

ESS10 Annex 1 par 2 provides some detailed GRM requirements which need to be incorporated in the Project as follows:

- (a) Different ways in which users can submit their grievances, which may include submissions in person, by phone, text message, mail, e-mail or in a website;
- (b) A log where grievances are registered in writing and maintained as a database;
- (c) Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgement, response and resolution of their grievances;
- (d) Transparency about the grievance procedure, governing structure and decision makers; and

³ WB ESF (2018) 100, note 9

- (e) An appeals process (including the national judiciary) to which unsatisfied grievances may be referred when resolution of grievance has not been achieved

6.1 Establishing the Project GRM

The Steps to be followed to address grievance within the SEP framework as per ESS10 requirements:

Step 1 Grievance Redress Commission (GRC): A GRC will be formed by SCRI-PIU at the local level which shall consist, as a minimum, of representatives from the people, through recognized local leaders (e.g., officials of local executive power). The GRC will act as the mediator between aggrieved parties and will make efforts to resolve conflicts through mutual consent. The uptake channels can be delegated to a staff of the CSC who can log in grievances received verbally (personal appearance, or phone), on-paper (documentary or traditional mail), or electronically (e-mail, website, WhatsApp, etc.). Resolution steps will entail inspection, review, assessment of grievance, internal GRC deliberations, discussions with complainant, compromise and arriving at decisions. The contact details of uptake channels shall be made known to the local people. This step will have a time frame of 7-10 days.

Step 2 SCRI-PIU: Recommendations of GRC are sent to the SCRI-PIU. The SCRI-PIU is responsible for addressing the grievances of the PAPs and if necessary, will forward these grievances to appropriate agencies/ offices for taking action. PAPs will be able to contact the SCRI-PIU through phone, email, direct meetings and letters. The contact details of SCRI-PIU (Point of Contact) will be distributed to the P-APs and posted on the main locations in the communities before the commencement of Project implementation. In addition, in case of unresolved issues with the PAPs, the SCRI-PIU may resort to “mediation” as an option (*ESS10 Annex 1 par 3*). This step will have a time frame of 15 days.

Step 3 (Court of law): The court of law will be the last resort. In principle, the Project-Affected Parties can **appeal** to a relevant court anytime they disagree with the activity or inaction of the Project Implementors. However, the Project-specific GRM will be implemented fully and transparently in order facilitate resolution of grievances at the Project as a convenient alternative to escalating complaints to the judicial level. Having said that, PAPs can apply to court if they disagree with the final decision of GRM. This step will have a time frame of 30 days.

In conformance to *ESS10 Annex 1 par 2 (a)*, the GRM will be accessible to the full range of project stakeholders, including project-affected parties, community members, civil society, media, and other interested parties. Stakeholders can use the GRM to submit complaints, feedback, queries, suggestions, or even compliments related to the overall management and implementation of the project. The GRM is intended to address issues and complaints from external stakeholders in an efficient, timely, and cost-effective manner. A separate mechanism will be used for worker grievances. The SCRI-PIU will be responsible for managing the stakeholder GRM following the roles and responsibilities outlined in the previous section.

6.2 Protocols and Procedures for Serious Grievances

In order to be comprehensive in covering every possible aspect of grievances in the World Bank funded project, certain protocols and procedures for sensitive cases will have to be recognized and readily set up as the need arises. Among the sensitive cases that is brought to light would be those pertaining to Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH). By definition⁴, Sexual Exploitation pertains to “Any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.” Sexual Abuse is “The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.” While Sexual Harassment “occurs between personnel and involves any unwelcome sexual advance or unwanted verbal or physical conduct of a sexual nature.

⁴ Regional Toolkit for PSEA/SH and Community-Based Complaint and Referral Mechanisms in the Americas.

In the context of a conservative society, social norms may form some barriers for complaints falling under these categories would go unreported. It is essential that emphasis is given on promoting an environment wherein the community, project workers and various stakeholders feel safe to report violations and trust that immediate and decisive action will be taken against perpetrators.

The complaint mechanisms should be safe, gender-sensitive, and appropriate to the context, maintaining neutrality and confidentiality before and during deliberation of matters. GRM functions will be strengthened to ensure timely, impartial, independent and fair investigations for SEA and SH. SCRI will take all measures to build trust for its investigation function, including, where appropriate, engaging an independent third party with experience in handling such cases through channels appropriate for the project.

The protocols and procedures for serious grievances should be based on the following principles:

- All complaints received will be filed and kept confidential. For statistical purposes, cases will be anonymized and bundled to avoid identification of persons involved.
- After reaching a solution to a case, the Grievance Counsellor as the case may be, will follow-up to ensure that the solutions are effective.
- Criminal cases will be referred to the public prosecutor.

6.3 Grievance Logs

As part of *ESS10 Annex 1 par 2* requirement for maintenance of Grievance Logs and Data Base, the SCRI-PIU will maintain a grievance log as part of the SEP implementation, which will contain, at the minimum, the following information:

- Individual reference number;
- Name of the person submitting the complaint, question, or other feedback, address and/or contact information (unless the complaint has been submitted anonymously);
- Details of the complaint, feedback, or question/her location and details of his / her complaint;
- Date of the complaint;
- Name of person assigned to deal with the complaint (acknowledge to the complainant, investigate, propose resolutions, etc.);
- Details of proposed resolution, including person(s) who will be responsible for authorizing and implementing any corrective actions that are part of the proposed resolution;
- Date when proposed resolution was communicated to the complainant (unless anonymous);
- Date when the complainant acknowledged, in writing if possible, being informed of the proposed resolution;
- Details of whether the complainant was satisfied with the resolution, and whether the complaint can be closed out; and
- Date when the resolution is implemented (if any).

6.4 Monitoring and Reporting on Grievances

Details of monitoring and reporting are described above. Day-to-day implementation of the GRM and reporting to the World Bank will be the responsibility of the SCRI-PIU. To ensure management oversight of grievance handling, an internal audit review will be done spearheaded by PIU management for monitoring the overall process, including verification that agreed resolutions are actually implemented.

6.5 Central point of contact – PIU

The point of contact regarding the stakeholder engagement program (*to be provided and updated by SCRI-PIU*):

Description	Contact details
Name	
Address	

Email	
Telephone	

As part of *ESS10 Annex 1 par 2*, requirement for publicly advertising procedures, any information on the Project and future stakeholder engagement programs will be available on the Project website and will be posted on information boards in the rayon's Executive Power Building. Information can also be obtained from SCRI in Baku City. Recent monthly E&S reports that document the implementation of the Stakeholder Engagement Plan may be disclosed on the Project website.

6.6 World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms of the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WBGRS, aggrieved persons or with people with complaints may visit:

<https://projects.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service> .

For information on how to submit complaints to the World Bank Inspection Panel may be obtained at www.inspectionpanel.org.

7 MONITORING AND REPORTING

7.1 Project Monitoring Reports (By Component, As Relevant)

Monitoring and evaluation of the stakeholder engagement process is considered vital to ensure SCRI is able to respond to identified issues and alter the schedule and nature of engagement activities to make them more effective. Specialist in charge of monitoring and reporting of SEP from SCRI-PIU will be the Environmental and Social Specialist. Monitoring of the stakeholder engagement process allows the efficacy of the process to be evaluated. Two distinct but related monitoring activities in terms of timing will be implemented:

- **During the engagement activities:** short-term monitoring to allow adjustments/ improvements to be made during engagement; and
- **Following completion of all engagement Stakeholder Engagement activities:** review of outputs at the end of engagement to evaluate the effectiveness of the SEP as implemented.

Information on the status of implementation of SEP activities, including functioning of the GRM, will be included in all project progress reports. A series of key performance indicators for each stakeholder engagement stage will be developed by SCRI-PIU Environment & Social Team. The indicators, and performance against the indicators will show successful completion of engagement tasks.

7.2 Reporting Back to Stakeholder Groups

Reporting to stakeholder groups and evaluating the stakeholder process is considered vital to ensure that SCRI-PIU can respond to identified issues and change the schedule and nature of engagement activities to make them more effective. It is desirable that all issues must be resolved at all levels and professionally. For a clear and understandable review, everything should be used as informational and in the form of presentation. All interested parties should be informed of all stages and the solution of all problems.

The Project Environmental and Social Specialist will report back to PAPs and other stakeholder groups, primarily through public meetings in project affected areas. Minutes of meetings will be shared during subsequent public meetings. Feedback received through the GRM will be responded to in writing and verbally, to the extent possible. SMS' and phone calls will be used to respond to stakeholders whose telephone numbers are available. Key Project

updates will be posted on the Project website. Social media (primarily through the Project website (or social media platform) for PAPs and other stakeholders) will also be used to report back to different stakeholders.

8 ANNEXES

Annex 1. Example Grievance Form

Grievance Form			
Grievance reference number (to be completed by GRM Focal Point):			
Contact details (may be submitted anonymously)	Name (s):		
	Address:		
	Telephone:		
	Email:		
How would you prefer to be contacted (check one)	By mail/post: <input type="checkbox"/>	By phone: <input type="checkbox"/>	By email: <input type="checkbox"/>
Preferred language	<input type="checkbox"/> Azerbaijani	<input type="checkbox"/> Russian	<input type="checkbox"/> other _____
Provide details of your grievance. Please describe the problem, who it happened to, when and where it happened, how many times, etc. Describe in as much detail as possible.			
What is your suggested resolution for the grievance, if you have one? Is there something you would like Employment services Center or another party/person to do to solve the problem?			
How have you submitted this form to the project?	Website <input type="checkbox"/>	email <input type="checkbox"/>	By hand <input type="checkbox"/>
	In person <input type="checkbox"/>	By telephone <input type="checkbox"/>	Other (specify) <input type="checkbox"/>
Who filled out this form (If not the person named above)?	Name and contact details:		
Signature			
Name of Focal Point person assigned responsibility			
Resolved or referred to GRC1?	<input type="checkbox"/> Resolved	<input type="checkbox"/> Referred	If referred, date:
Resolved or referred to GRC2?	<input type="checkbox"/> Resolved	<input type="checkbox"/> Referred	If referred, date:
Completion			
Final resolution (briefly describe)			
	Short description	Accepted? (Y/N)	Acknowledgement signature
1 st proposed solution			
2 nd proposed solution			
3 rd proposed solution			

