

**"GARADAGH"**

**"Garadagh Cement" OJSC,  
Sahil settlement,  
Salyan highway  
Baku AZ -1083  
Azerbaijan**

## **Garadagh Cement New Dry Kiln 6 Project**

**Public Consultation and  
Disclosure Plan (PCDP)**

July 2008

Prepared for Garadagh Cement by:



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## 1 INTRODUCTION

Garadagh Cement O.J.S.C. is the largest cement producing company in Azerbaijan. Garadagh Cement is a registered Azeri company in which the Swiss company Holcim holds a share of 69.4 %. The remaining shares are held by the state-owned Azerbaijan Investment Company<sup>1</sup> (AIC; 10 %), the European Bank for Reconstruction and Development (EBRD, 10 %), and individual shareholders (10.6 %).

Garadagh Cement intends to build and operate a new state-of-the-art dry process cement rotary kiln (Dry Kiln 6, the “project”) line at the Garadagh Cement plant site which is located next to Sahil Settlement, Garadagh district, 34 km southwest of Baku. The new Dry Kiln 6 will replace the existing four wet process kilns of the cement production plant including wet raw material processing.

This document contains the Draft Public Consultation and Disclosure Plan (PCDP) for the above project. It provides for the identification of stakeholders, *i.e.* people who have an interest or a role in the project development or could be affected by the project, and sets out the planned programme for disclosure of project information and consultation with stakeholders, and methods for handling stakeholders’ concerns and grievances should any arise.

This Draft PCDP is prepared in the context of the environmental impact assessment process for the Project. Garadagh Cement has contracted the local consulting company SRM from Baku with carrying out the Environmental Impact Assessment (EIA) for the project to be submitted to the Ministry of Ecology and Natural Resources (MENR) as application document for the environmental approval of the project.

In addition, to fulfil the policy expectations of the Holcim Group who is a member of the World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI), its shareholder EBRD and potential international project lenders, Garadagh Cement have contracted a consultant team led by ERM (Frankfurt office/Germany) locally supported by Azerbaijan Environmental Technology Centre, Baku (AETC, a subsidiary of RSK Group) to prepare additional studies and compile supplementary information in a wider scoped Environmental & Social Impact Assessment (ESIA) report.

The project information disclosure and consultation activities described in this PCDP document are part of the ESIA undertaken by Garadagh Cement as a voluntary activity of project implementation.

This Draft PCDP document was prepared for Garadagh Cement by ERM/AETC. The PCDP will be updated during the course of project preparation. It will be made

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<sup>1</sup> Established through the Ministry of Economic Development

publicly available on the Garadagh Cement website (<http://www.garadagh.com>) and be locally accessible to the public as part of the project disclosure policy as described below.

## 2 *BRIEF DESCRIPTION OF THE PROJECT*

The Project comprises the modernization of the cement clinker production within the context of an expansion of the production capacity from currently approximately 2,600 tonnes per day (tpd) to 4,000 tpd to serve the rapidly growing future domestic cement market demand. The major changes related with the Project are the replacement of the four existing wet kilns by one single dry process kiln (new Dry Kiln 6). The existing wet-kilns will be decommissioned after the new Dry Kiln 6 goes into operation. As an option, Garadagh Cement is investigating to continuing operation of two wet kilns for a limited period of time, parallel to the New Dry Kiln 6. This option is considered due to the continued deficit of local cement production in Azerbaijan and would include an environmental upgrade of the two wet kilns. (A decision in this regard has not yet been made. If this option should be pursued, Garadagh Cement will inform the interested public and relevant stakeholders as identified in this PCDP accordingly).

The new kiln and associated units be built entirely on the existing plant premises.<sup>2</sup> In addition to the waste limestone raw material which is presently sourced from dimensional stone cutting operations in the area, the old<sup>3</sup> Shakhgaya-West limestone quarry located approximately 10 km to the north-west of the cement plant will be re-opened and developed to cover the long term supply of the cement plant. A new crusher facility will be installed at the former loading station of the quarry site and the presently abandoned railway line which connects the Shakhgaya-West quarry with the Garadagh Cement plant will be rehabilitated as part of the project.

The replacement of the old kilns by a new international state-of-the-art kiln will significantly improve the environmental performance (in particular dust reduction) and increase plant efficiency and output.

In the frame of the project, significant investment will be made to enhance current skills of the company personnel, technical staff in particular. Internal, on-the-job training sessions for technical staff and visits to other Holcim companies using the dry kiln technology will be organized to bring staff to the required level of proficiency.

Introduction of state-of-the-art technology will lead to increased productivity and as a result will lead to redundancy of obsolete working places and eventually to staff

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<sup>2</sup> (a realignment of the site boundaries by adding a few patches of land (~ 7.5 ha) directly adjacent to the existing premises is under consideration);

<sup>3</sup> the quarry was initially opened in the Soviet era

reduction. To mitigate the social impact, on top of what is prescribed by local labour legislation, Garadagh Cement will provide comprehensive assistance programs to the employees subject to redundancy.

A comprehensive description of the project and its components will be provided in the documents prepared for the environmental and social impact assessment (ESIA) of the project.

### **3 PUBLIC CONSULTATION AND DISCLOSURE REGULATIONS AND REQUIREMENTS**

The *Milli Mejlis* (Parliament) of the Republic of Azerbaijan in 2000 ratified the *Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters* of 1998. The Aarhus Convention grants the public rights and imposes obligations on public authorities regarding access to information and public participation and access to justice.

The Environmental Protection Act (1999), which is the basis for the environmental impact assessment process in Azerbaijan, includes basic elements of public involvement. According to Article 3 the main principles for the protection of the environment in Azerbaijan include *inter alia* the participation of the public and public associations. Article 6 defines the rights and duties of citizens for the protection of the environment; this includes to provide inputs to *public ecological examinations* (Art.6, Para 1.7.). A system of *ecological examinations* is set out in Chapter VIII of the Environmental Protection Act (Articles 50–58) and includes EIAs for projects. The ecological examination is conducted by the relevant body of the executive power (*i.e.* state authority) and public organisations (Article 50). Article 58 provides for Public ecological examinations (*i.e.* review of documentation available on public domain) may be carried out by public associations or other groups composed of representatives of the public<sup>4</sup>. The opinion expressed by the *public ecological examination* is of information and recommendation nature and it is to the discretion of the regulators to consider the findings in the decision made.

Further implementation guidance for the Azeri EIA process is provided by the *Handbook for the Environmental Impact Assessment Process in Azerbaijan* which was published in 1996 by the *Azerbaijan State Committee on Ecology and Control of Natural Resource Utilisation* in Baku with the assistance of UNDP. This also includes mechanisms for consulting with stakeholders and the public in the project decision process. However, the guidance contained in this handbook has no formal legal status although it is still used and referred to as a guideline.

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<sup>4</sup> This may be non-governmental organisations (NGOs) or community based organisations (CBOs) or other groups who do not necessarily need to be registered (but need to be compliant with legal requirements)

Garadagh Cement, being a member of the international operating Holcim Group of Switzerland, is committed to a transparent planning and project implementation process. Holcim is a member of the *World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI)* who supports information disclosure and public consultation as part of the environmental and social impact assessment (ESIA) process as a best practice approach.

Further, the European Bank for Reconstruction and Development (EBRD), who is a minor shareholder in Garadagh Cement, in its environmental policy and guidelines, has set out requirements for environmental and social impact assessment (ESIA), including adequate project information disclosure and stakeholder consultation. Key requirements are stakeholder identification and consultation at the beginning of the ESIA process, and disclosure of the Draft Final ESIA report for at least a two months period (60 days) to allow for stakeholder review. Comments received in the consultations on the Draft Final ESIA will be considered for the Final ESIA Report.

In the absence of a legally prescribed public consultation procedure and considering the international good practice standards, Garadagh Cement, as a policy for this project, is offering the information and consultation opportunities for stakeholders and the public on voluntary basis as described in the following sections below.

#### 4 STAKEHOLDERS

Next to the shareholders of Garadagh Cement, which includes besides Holcim and EBRD also the Azerbaijan Investment Company, and the plant's workforce, the public in the vicinity of the plant is a key stakeholder.

The Garadagh Cement Plant is located in Garadagh District on the coastal strip which stretches along the Caspian Sea to the south west of Baku. It is situated next to the Sahil settlement, a town with total number of about 22,600 residents located at a distance of approximately 1 kilometre. Besides the spatial proximity, the cement plant also provides jobs to a considerable number of people living in Sahil (432 employees). Umid Village<sup>5</sup> (30 employees), is located at about 4 km distance to the south-west on the coast. Two Penitentiary Service Institutions (prisons) are located in the semi-desert backcountry and an army base is located near the Shakhgaya-West quarry. Besides this, there are no settlements in the vicinity of the cement plant or the proposed quarry.

Key public stakeholder for the project, therefore, is the population of Sahil Settlement. In addition, following stakeholders/stakeholder groups were identified as having an active role or a potential interest in the development of the proposed project. This includes statutory stakeholders with administrative authority and stakeholders such as NGOs or other interest groups.

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<sup>5</sup> Umid emerged out of a refugee camp for internally displaced people (IDPs)

<b>District and Local Authorities and Administrations</b>		
<b>Stakeholder</b>	<b>Address /Tel. Head Office</b>	<b>Contact Person/Position</b>
Garadagh District Executive Power	Lokbatan Settlement Tel. 4453115	Huseyn Israfilov
Representative of the Local Executive Power for Sahil Settlement	Sahil Settlement, Tel. 4461800	Etibar Imanov
Sahil Municipal Council	Sahil Settlement, Tel. 4465520	Council Head Vazir Gasymov
Representative of the Local Executive Power for Umid Settlement	Umid Tel. 4467800	Huseyn Babayev
Umid Municipal Council	Umid Tel. 4467002	Council Head Elnur Sharifov

<b>Other State Agencies/Institutions</b>	
Penitentiary Service Institutions: - Qizeldagh Prison (Prison #7) - Prison #14	Represented via: Ministry of Justice, Penitentiary Service
Army Camp	Represented via: Ministry of Defence

Other potential stakeholders in the areas are the about 30 Stone-cutting companies who are active in the backcountry area of the plant. There is no organisation that is representing these companies.

To present knowledge, there are no herders who use the backcountry between the plant and the Shakhgaya-West quarry. The area is largely disturbed by the stone cutting activities and provides for no grazing land. The latter applies also the area of the future quarry itself which in addition is itself is fenced off property of Garadagh Cement.

It was identified that the following NGOs could have a potential interested to be informed about the project:

<b>Non Governmental Organisations (NGOs)</b>			
<b>Name</b>	<b>Address</b>	<b>Key Contacts</b>	<b>Tel. / Fax / E-mail</b>
Azerbaijan Green Movement	31, Istiglaliyyet str. 5-th floor, 370001, Baku	Farida Huseynova	Tel: 472412, (264)-55793, Tel./Fax: 3299391, 970334 E-mail: <a href="mailto:fguseynova@iatp.baku.az">fguseynova@iatp.baku.az</a> <a href="mailto:Guseynovafk@aznet.org">Guseynovafk@aznet.org</a>
"Ecolex-Azerbaijan" Ecological Law Center	22a/3 flat 53 , 8-mkr Sumgait/ 29a, Javadkhan str., 4th district, 99apt., Baku, Azerbaijan	Samir Isaev Nurlan Rahimov Sevil Isayeva	Tel: 402502, 3206553, (8-50) 312-1439 E-mail: <a href="mailto:ecolex@azdata.net">ecolex@azdata.net</a> <a href="http://ecolex.aznet.org">http://ecolex.aznet.org</a>
"EKOC" Ecological Stability Organization	54 Bulbul ave 370014 Baku	Adil Alekberov	Tel: 957056, 957412 Fax: 951130 E-mail: <a href="mailto:asc@pac.baku.az">asc@pac.baku.az</a>
Ecological Problems Research Center	36, Ganja av., apt. 35, Baku, Azerbaijan	Kamran Makhmudov	Tel: 760042 E-mail: <a href="mailto:ngo@isar.baku.az">ngo@isar.baku.az</a>
Eko-TEC	1/45 Mansurov str Baku	Chingiz Nazarov	Tel: 4-85-98
Ekosaf	14/36 A.Manafov str 370060 Baku	Rasim Aliyev	Tel: 237778, 552783 E-mail: <a href="mailto:aliyevker@aznet.org">aliyevker@aznet.org</a>
"Ekoil" - Scientific Ecological Society	31a, G.Javid Ave., 370014, Baku, Azerbaijan	Muslim Kurbanov	Tel: 940618 E-mail: <a href="mailto:Ekoil@azerin.com">Ekoil@azerin.com</a> <a href="mailto:venera@umcor.baku.az">venera@umcor.baku.az</a>
Human and Ecology Intellectual Center	29/3 Muxtarov Str 370002 Baku	Ismayil Ismayilov	Tel: 973867 Fax: 973867 E-mail: <a href="mailto:ismayilov@baku.net.az">ismayilov@baku.net.az</a>
National Center of Ecological Forecasting	13d/ 14 M.Aliyev str Baku	Telman Zeynalov	Tel: 945342 E-mail: <a href="mailto:ngo@isar.baku.az">ngo@isar.baku.az</a>
"Ruzgar" Ecological Society	124/128 Gara Garaev str 370119 Baku	Islam Mustafaev	Tel: 769801, 394113 Fax: 769801 E-mail: <a href="mailto:Imustafaev@iatp.baku.az">Imustafaev@iatp.baku.az</a>
"Eko-sfera" Social-ecological center	3/61 Lermantov str Baku	Firuz Sultanzade Zuleyxa Aliyeva	Tel: 924348, 925125, (8-50) 2159524 E-mail: <a href="mailto:ecosfera@azeurotel.com">ecosfera@azeurotel.com</a>
Center of Initiative Development Social problems	23/8 R.Mamedov str 3-rd Mkr Baku	Niyazi Aliyev	Tel: 699766 E-mail: <a href="mailto:ngo@isar.baku.az">ngo@isar.baku.az</a>
Center for Economic and Social Development	Shirin Mirzeyev 76 "a" / 33, Baku Az1002, Azerbaijan	<a href="http://www.cesd.az">http://www.cesd.az</a>	Tel: +994 (012) 495 4248 Fax: +994 (012) 437 3240 Email: <a href="mailto:cesd@aztelekom.net">cesd@aztelekom.net</a>



<b>Non Governmental Organisations (NGOs)</b>			
<b>Name</b>	<b>Address</b>	<b>Key Contacts</b>	<b>Tel. / Fax / E-mail</b>
"Umid" Humanitarian and Social Support Center	Umid Settlement	Israil Iskandarov	Tel: (994 12) 4345315 Fax: (994 12) 4349698 E-mail: <a href="mailto:umid@azerin.com">umid@azerin.com</a> <a href="mailto:umid.office@azerin.com">umid.office@azerin.com</a>

### **Azeri State regulatory bodies**

<b>Stakeholder</b>	<b>Address</b>	<b>Contacts</b>
Ministry of Ecology and Natural Resources (MENR) <a href="http://www.eco.gov.az/">http://www.eco.gov.az/</a>	100A Bahram Agayev str., Baku, AZ1073	Tel.: +994 12 4388508 Fax: +994 12 4925907
Ministry of Economic Development of the Republic of Azerbaijan <a href="http://www.economy.gov.az/">http://www.economy.gov.az/</a>	23 Niyazi str. Baku, AZ1066	Tel.: +994 12 4924110 Fax: +994 12 4925895
Labour and Social Welfare Ministry	86 Salatyn Askerova str., Baku, AZ1000	Tel: +994 12 5965034
Ministry of Public Health	4 KichikDaniz str.	Tel: +994 12 5985094 Fax: +994 12 4930695
Ministry of Emergency Situations	57 Tbilisi ave, Baku, AZ1000	Tel.: +994 12 5120061, +994 125120026
Ministry of Industry and Energy	88 Zardabi Street, Baku, Azerbaijan AZ1012	Tel.:+994 12 447 05 88 +994 12 447 05 84 Fax: +994 12 431 90 05

## **5 DISCLOSURE OF INFORMATION AND PUBLIC PARTICIPATION**

### **5.1 INITIAL DISCLOSURE OF PROJECT INFORMATION AND STAKEHOLDER CONSULTATION**

Initial general project information will be provided to the above identified stakeholders via a project information leaflet/brochure which contains the key facts and figures about the proposed project and also outlines the studies which are undertaken to assess the environmental and social impacts of the project, the envisaged timelines and next steps.

Statutory stakeholders and NGOs will be sent a copy of this information brochure (including this Draft PCDP as an Annex) and be asked to provide written feedback and comments to Garadagh Cement if they wish.

The general public will be informed by a notice in the local newspaper and project information brochures will be made available at the local municipality offices.

All information will also be made available on Garadagh Cement's website:

<http://www.garadagh.com>

Garadagh Cement will, assisted by their consultants, consult directly with the local administration and representatives of executive power regarding any concerns or comments versus the proposed project development.

## 5.2 DISCLOSURE OF DRAFT FINAL ESIA AND OPEN ROOM

In line with international best practice, the Draft Final ESIA report and a summary will be made available to stakeholders. It will be publicly available for at least 2 months (60 days).

Authorities, administration of the district, municipalities and local communities and NGOs will receive hardcopies of the ESIA summary document by mail.

The general public will be informed by notification in newspapers about the possibility to review the ESIA. The public in the villages affected by the project will be additionally informed via the local community information bill-boards at the local community administrations and by placards posted in the settlements.

Interested public can access the Summary ESIA and ESIA documents at the municipality administration centres or other suitable locations to be identified (e.g. Palace of Culture in Sahil). Details about the locations and hours will be provided in the newspaper announcements and the local bill-board notifications and placards posted in the villages.

With the day of public availability of the ESIA document, comments and suggestions can be submitted in writing to the Garadagh Cement plant directly or be left at the municipality offices for a 2 month period.

Within this 2 months period, Garadagh Cement will organise a 2 day *Open Room* event in Sahil village where Garadagh Cement representatives and Garadagh Cement's consultants will be available to explain the planned project and to address questions. Various information and presentation material will be provided (such as leaflets, postern with photorealistic simulation). Comments and suggestions received will be recorded for consideration by Garadagh Cement.

## 5.3 ADDITIONAL DISCLOSURE OF INFORMATION

Information on the Dry Kiln 6 project will be made available on the website of Garadagh Cement (<http://www.garadagh.com>) including contact details for inquiries or request for further information.

Information provided will comprise topics such as the actual status of planning and permitting process project implementation status, the ESIA Report and information

material such as the information brochure and this Draft PCDP in standard data formats (e.g. PDF).

The information will be placed on the website at the time when respective information becomes available.

## **6 TIME TABLE OF DISCLOSURE AND CONSULTATION ACTIVITIES DURING PROJECT PREPARATION**

Initial project information disclosure and stakeholder consultation is scheduled for end of May 2008. Disclosure of the ESIA documents is foreseen in July and August 2008, and the *Open House* Information event for late August 2008.

## **7 RESOURCES AND RESPONSIBILITIES**

The implementation of this PCDP is conducted and monitored by the Garadagh Cement Technical Director

Dr. Henning Sasse  
Technical Director "Garadagh Cement" OJSC  
Sahil settlement, Salyan highway, Baku AZ -1083, Azerbaijan  
Phone: (994 12) 441 88 88 / Ext. 333  
Fax: (994 12) 446 30 20  
E-mail: [henning.sasse@garadagh.com](mailto:henning.sasse@garadagh.com)

Contact person for inquiries at Garadagh Cement

Mr. Nariman Mantashev  
QAOHSSE Manager  
"Garadagh Cement" OJSC  
Sahil Settlement, Salyan Highway, Baku AZ -1083, Azerbaijan  
Phone: (994 12) 441 88 88 Ext.5-91  
Fax: (994 12) 446 18 81  
E-mail: [Nariman.Mantashev@garadagh.com](mailto:Nariman.Mantashev@garadagh.com)

Ms. Rena Tahirova  
Communication & CSR Manager  
Phone: (99412) 441 88 88 ext.519  
Fax: (99412) 446 18 51  
E-mail: [rena.tahirova@garadagh.com](mailto:rena.tahirova@garadagh.com)

Mr. Kamran Abbasov  
Marketing Manager  
Phone: (994 12) 441 88 88 Ext.550  
Fax: (994 12) 446 18 81  
E-mail: [kamran.abbasov@garadagh.com](mailto:kamran.abbasov@garadagh.com)

## 8 GRIEVANCE MECHANISM

The following process is foreseen by which people affected by the project can bring their comments, concerns, and grievances to the project sponsor (Garadagh Cement), for consideration and redress.

Garadagh Cement will designate a staff member (*e.g.* HSE and/or CSR responsible) who will be responsible for grievance response during project preparation, construction and operation. This person will take the role of a community liaison officer (CLO) and be responsible for recording and responding to comments and grievances.

During the project preparation stage, written comments in response to information disclosed for the Dry Kiln 6 project or general grievances related to the plant can be sent to Garadagh Cement per mail, e-mail, fax or be left at drop boxes which is intended to be installed in Sahil and Umid at appropriate places to be identified (*e.g.* at the Palace of Culture in Sahil). Comments and grievances forms will be made available to the public respectively (for form see Annex).

In general, grievances, in relation to construction or operation, will be responded to within 2 weeks after receipt.

Should the need arise, Garadagh Cement will consider the establishment of a conflict resolution "committee" (Garadagh Cement representatives, village council representatives) for the management of complex grievance issues.

The Environmental and Social Management Plan (ESMP), which will be part of the ESIA document, will contain additional information on the grievance mechanism.

## 9 REPORTING

All queries in relation to the project will be filed and analysed. The results and feedback of the public consultation and information disclosure will be reported in the Draft Final ESIA report. This will contain details about suggestions or concerns raised and how comments have been taken into account.

Garadagh Cement will inform the MENR about relevant comments received.

### **Annexes:**

1. Public Comments & Suggestions Form
2. Public Grievance Form