



FAO-GEF Project Implementation Report

2021 – Revised Template



Period covered: 1 July 2020 to 30 June 2021

1. Basic Project Data

General Information

Region:	Europe
Country (ies):	Azerbaijan
Project Title:	Forest Resources Assessment and Monitoring to Strengthen Forestry Policy and Knowledge Framework
FAO Project Symbol:	GCP/AZE/007/GFF
GEF ID:	9795
GEF Focal Area(s):	Climate Change Mitigation, Land Degradation
Project Executing Partners:	Ministry of Ecology and Natural Resources
Project Duration:	24 months
Project coordinates: (Ctrl+Click here)	N 40° 38' 49" E 47° 28' 25" N 41° 20' 0" E 46° 45' 0" N 41° 11' 31" E 47° 10' 14" N 40° 22' 32" E 47° 7' 34" N 40° 37' 5" E 47° 9' 0" N 40° 15' 0" E 47° 45' 0"

Milestone Dates:

GEF CEO Endorsement Date:	05.07.2017
Project Implementation Start Date/EOD:	01.10.2017
Proposed Project Implementation End Date/NTE¹:	30.09.2019
Revised project implementation end date (if applicable) ²	31.12.2021
Actual Implementation End Date³:	N/A

Funding

GEF Grant Amount (USD):	1.484.247 USD
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¹ As per FPMIS

² In case of a project extension.

³ Actual date at which project implementation ends - only for projects that have ended.

Total Co-financing amount as included in GEF CEO Endorsement Request/ProDoc⁴:	7.000.000 USD
Total GEF grant disbursement as of June 30, 2021 (USD m):	1.342.198USD
Total estimated co-financing materialized as of June 30, 2021⁵	4,755,530 USD

Review and Evaluation

Date of Most Recent Project Steering Committee Meeting:	29.01.2021
Expected Mid-term Review date⁶:	N/A
Actual Mid-term review date:	N/A
Mid-term review or evaluation due in coming fiscal year (July 2021 – June 2022)⁷:	N/A
Expected Terminal Evaluation Date	September-December 2021
Terminal evaluation due in coming fiscal year (July 2021 – June 2022):	Yes
Tracking tools/ Core indicators required⁸	Yes

Ratings

Overall rating of progress towards achieving objectives/ outcomes (cumulative):	<i>S</i>
Overall implementation progress rating:	<i>S</i>
Overall risk rating:	<i>Low</i>

⁴ This is the total amount of co-financing as included in the CEO document/Project Document.

⁵ Please see last section of this report where you are asked to provide updated co-financing estimates. Use the total from this Section and insert here.

⁶ The MTR should take place about halfpoint between EOD and NTE – this is the expected date

⁷ Please note that the FAO GEF Coordination Unit should be contacted six months prior to the expected MTR date

⁸ Please note that the Tracking Tools are required at mid-term and closure for all GEF-4 and GEF-5 projects. Tracking tools are not mandatory for Medium Sized projects = < 2M USD at mid-term, but only at project completion. The new GEF-7 results indicators (core and sub-indicators) will be applied to all projects and programs approved on or after July 1, 2018. Also projects and programs approved from July 1, 2014 to June 30, 2018 (GEF-6) must apply core indicators and sub-indicators at mid-term and/or completion

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Status

Implementation Status <i>(1st PIR, 2nd PIR, etc. Final PIR):</i>	3rd PIR
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Project Contacts

Contact	Name, Title, Division/Institution	E-mail
Project Manager / Coordinator	Aysel Rzayeva, Project Coordinator	Aysel.Rzayeva@fao.org
Lead Technical Officer	Peter Pechacek, Forestry Officer, SECMD	Peter.Pechacek@fao.org
Budget Holder	Cakmak Melek, Head of FAO Partnership and Liaison Office, Azerbaijan, FEAZE	Melek.Cakmak@fao.org
GEF Funding Liaison Officer	Hernan Gonzalez, FAO GEF Coordination Unit	Hernan.Gonzalez@fao.org

2. Progress Towards Achieving Project Objectives and Outcome (DO)

(All inputs in this section should be cumulative from project start, not annual)

Project objective and Outcomes (as indicated at CEO Endorsement)	Description of indicator(s) ⁹	Baseline level	Mid-term target ¹⁰	End-of-project target	Level at 30 June 2021	Progress rating ¹¹
Objective(s): To introduce sustainable forest management system in Azerbaijan in order to increase social and economic benefits from forests, to improve quality of existing forest and increase carbon sequestration.						
Outcome 1.1: A methodological mechanism for data collection, assessment and reporting developed	At national level, Sustainable Forest Management (SFM) C&I assessed and reported by stakeholders including recommendations to MENR	There is no SFM C&I mechanism for the monitoring assessment and reporting of forestry	N/A	SFM General Coordinating Committee established, Azerbaijan national SFM C&I set is identified, monitored, assessed and reported	Finalized SFM General Coordinating Committee established, Azerbaijan national SFM C&I set is identified, developed, and approved.	HS

⁹ This is taken from the approved results framework of the project. Please add cells when required in order to use one cell for each indicator and one rating for each indicator.

¹⁰ Some indicators may not identify mid-term targets at the design stage (refer to approved results framework) therefore this column should only be filled when relevant.

¹¹ Use GEF Secretariat required six-point scale system: **Highly Satisfactory (HS)**, **Satisfactory (S)**, **Marginally Satisfactory (MS)**, **Marginally Unsatisfactory (MU)**, **Unsatisfactory (U)**, and **Highly Unsatisfactory (HU)**.

<p>Outcome 1.2: An Operational National Forest Assessment and Monitoring System providing reliable and up to date information on forest resources</p>	<p>“Number of hectares covered by NFAMS”</p>	<p>0</p> <p>The last forestry inventory was made in 1988. The data on forests is incomplete</p>	<p>N/A</p>	<p>Countrywide data and information collected, analysed, classified, and stored in a GIS based database, covering 72,737 hectares using Collect Earth program</p>	<p>Forest Information Center (GIS lab) established,</p> <p>NFI manual developed.</p> <p>Countrywide data and information collected, analyzed, classified and reported via Collect Earth Program:</p> <p>Detailed Collect Earth Report: A Case Study of Agdash and Gakh and Findings for Azerbaijan was prepared,</p> <p>According to the PSC decision on remote NFI works and the additional assessment of the missing plots countrywide data and information collected, analyzed, classified covering 86, 600 hectares using Collect Earth program.</p>	<p>MS</p>
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Outcome 2.1 Improved forest management planning in 2 pilot areas	No. of stakeholders trained Number ha under improved Sustainable Forest management practices	5 Forest management planning teams are idle, stakeholders are far from new developments and technologies in forestry	N/A	10 persons including members of the idle management teams trained as trainers 38.405 ha under SFM practices	Finalized 2 FM planning teams, including 10 local foresters, were formed and trained. 103.000 ha under SFM practices	HS
Outcome 2.2 Income generating activities for local small farm holders demonstrated and the possibility of their application is investigated	No. of farmers (dis- aggregated by sex) with diversified and improved livelihood strategies reducing pressures to nearby forests	Farmers are deprived of diversified income options; overgrazing is very common	N/A	Pastures rehabilitated – 1500 ha Income generating activities demonstrated for 10 farmers	100 ha pastures rehabilitated under the project. Sustainable land management practices have been replicated on more than 900 ha pastures. Income generating activities demonstrated for 10 farmers	MS
Outcome 2.3 Carbon stocks enhanced in degraded and deforested Forest Fund land	Number of ha of degraded forest rehabilitated using modern techniques. Number of ha of land reforested.	The government carries out rehabilitation and reforestation activities with very limited funds and in a traditional way.	N/A	15.300 hectares rehabilitated using modern techniques (GEF plus co-financing)	3438 ha in total were rehabilitated (2900 ha as co-financing and 538 ha within the project). 101 ha reforested at project demo sites Totally, 3.523 ha reforested by the	MS

	Carbon stored and avoided emissions			5.300 hectares reforested using modern techniques (GEF plus co-financing)	Ministry as co-financing during period.	
Outcome 3.1: Project implementation based on RBM	M&E system ensuring timely delivery of project results	-	N/A	M&E system ensuring timely delivery of project results	5 progress reports developed, uploaded to FPIMS	S
Outcome 3.2: Sustainability and upscale SFM ensured through provision of up to date information on forest resources and their trend and dissemination of lessons learned and good practices	Public perception of forest management is assessed and increased.	Public is not well informed about the ecologic, economic and social functions of forests.	N/A	Public perception of forest management is assessed and increased	Public Survey conducted, public perception assessed, report results are used during design of project interventions. Communication Strategy and Action Plan developed/finalized and uploaded to FPIMS. Awareness raising campaign and activities have been conducted within the LoA with IDEA. Collect Earth Assessment report published in 2 languages. Forest Management Plans developed. Web page on the basis of MENR web portal developed	S

Action plan to address MS, MU, U and HU ratings

Outcome	Action(s) to be taken	By whom?	By when?
Outcome: 1.2 An Operational National Forest Assessment and Monitoring System providing reliable and up to date information on forest resources (MU)	1. National forest inventory works - Data collection and analysis to be finalized via online tools; data to be analysed will be made available in the system 2. Participatory C & I assessment - 1 local workshop, 1 national workshop to be organized	1. Project staff and International expert on forest data collection and analysis and IC on NFI Assessment and MENR 2. Project staff	1. October 2021 2. December 2021
Outcome 2.2 Income generating activities for local small farm holders demonstrated and the possibility of their application is investigated	1. Local workshop and meeting will be organized to increase awareness on applied best practices	1. Project staff and National Consultants	1. December 2021
Outcome 2.3 Carbon stocks enhanced in degraded and deforested Forest Fund land (MS)	1. Remaining reforestation activities to be implemented in 61 ha area of Oghuz region 2. Absheron Nursery production Centre modernization works to be completed	1. Project staff and MENR 2. Project staff and MENR	1. October 2021 2. October 2021

3. Progress in Generating Project Outputs (Implementation Progress, IP)

(Please indicate progress achieved during this FY as planned in the Annual Work Plan)

Outputs ¹²	Expected completion date ¹³	Achievements at each PIR ¹⁴					Implement. status (cumulative)	Comments Describe any variance ¹⁵ or any challenge in delivering outputs
		1 st PIR	2 nd PIR	3 rd PIR	4 th PIR	5 th PIR		
Output 1.1.1: Concept paper and Guidelines on SFM prepared	Q1Y1	<i>Concept paper and guideline on SFM prepared, approved</i>	<i>N/A</i>	<i>N/A</i>			100%	Completed by 3 rd quarter of 2018. The stakeholder discussions and official approval procedures have lasted longer than expected.
Output 1.1.2: SFM General Coordination Committee (GCC) established	Q1Y1	<i>GCC established</i>	<i>N/A</i>	<i>N/A</i>			100%	Completed by 2 nd quarter of 2018.
Output 1.1.3 National level SFM C&I set identified and agreed by stakeholders	Q1Y1	<i>SFM C&I finalized and approved</i>	<i>N/A</i>	<i>N/A</i>			100%	Completed by 3 rd quarter of 2018. The stakeholder discussions and official approval procedures lasted longer than expected
Output 1.2.1 A capacity development program for cadres and stakeholders	Q3Y2	<i>Training program implemented; 10 cadastre workers trained</i>	<i>N/A</i>	<i>N/A</i>			100%	2 sets of trainings organized for 25 local foresters/experts to increase capacity on forest inventory using Collect Earth – Open Foris tool

Output 1.2.2: An operational geographic information system for forest assessment and monitoring	Q4Y1	<i>GIS lab (Forest Information Center) established Software installed</i>	<i>Additional forest inventory equipment purchased and delivered to the MENR</i>	N/A			100%	GIS lab established, equipped, software/programs installed.
Output 1.2.3 Data collection and analysis	Q2Y4	<i>Collect Earth desk study to establish the baseline is completed</i>	<i>Due to COVID-19 restrictions NFI works will be conducted remotely</i>	<i>Preparations for NFI works – data collection and analysis have been started</i>			50%	Missing SUs for the NFI fieldwork preparation in Nagorno-Karabakh (N-K) and outside N-K will be completed
Output 1.2.4 Participatory C & I assessment.	Q1Y4	<i>Baseline study is completed</i>	N/A	N/A			10%	1 local workshop, 1 national workshop to be organized
Output 2.1.1: Guidelines for multifunctional management planning developed	Q2Y2	<i>The guideline is drafted</i>	<i>The guideline was revised and submitted to the MENR for adoption</i>	N/A			100%	MENR officially adopted the guideline to be used for demo pilot application
Output 2.1.2: Two forest management planning	Q3Y3	<i>2 FM planning teams trained</i>	<i>2 local foresters trained on data</i>	<i>Remote training report on Forest Management</i>			100%	5 days FMP remote training was organized

¹² Outputs as described in the project logframe or in any updated project revision. In case of project revision resulted from a mid-term review please modify the output accordingly or leave the cells in blank and add the new outputs in the table explaining the variance in the comments section.

¹³ As per latest work plan (latest project revision); for example: Quarter 1, Year 3 (Q1 y3)

¹⁴ Please use the same unity of measures of the project indicators, as much as possible. Please be extremely synthetic (max one or two short sentence with main achievements)

¹⁵ Variance refers to the difference between the expected and actual progress at the time of reporting.

teams trained			<i>management system</i>	<i>Planning Program conducted</i>				
Output 2.1.3: Multifunctional forest management plans for 2 rayons (Qax and Agdas) developed and under implementation	Q3Y2	<i>2 multifunctional FM plans under development</i>	<i>2 multifunctional FMP developed</i>	<i>FMP works have been commenced in Shamakhi and Gabala Regional Forestry areas by MENR</i>			100%	FMP works were conducted in pilot site based on the developed Guidance on FMPs
Output 2.2.1: Pastures in 2 selected sites are rehabilitated	Q3Y3	<i>50 ha of pastures rehabilitated using modern techniques</i>	<i>50 ha of pastures rehabilitated using modern techniques</i>	<i>N/A</i>			60%	Applied practices will be demonstrated (2 pilot sites – Zardab and Agdash region) to surrounding communities to achieve replication 100 ha pastures rehabilitated under the project. Sustainable land management practices have been replicated on more than 900 ha pastures. Income generating activities demonstrated for 10 farmers
Output 2.3.1 Shemkir Nursery capacity is increased	Q3Y3		<i>Modernisation plan developed for Absheron Nursery</i>	<i>Modernisation plan for Absheron Nursery adopted by MENR</i>			80%	At present, 80% of works are completed at Absheron Nursery Centre

Output 2.3.2 Seed lab modernized	Q3Y2	<i>Detailed list for necessary equipment prepared.</i>	<i>Equipment purchased and delivered</i>	<i>Installation of equipment is incomplete</i>			78%	Due to movement of the Seed Lab to new office facilities installation of the equipment is pending
Output 2.3.3 Total 300 ha of degraded forest land are rehabilitated in selected 2 rayons	Q3Y3	<i>93 ha rehabilitated</i>	<i>93 ha project, 2.900 ha other sources</i>	<i>101,5 ha in Qakh region and 436,5 ha in Agdash region were rehabilitated (from 2018-2021 period) by MENR</i> Total 538 ha			100%	Rehabilitation activities are implemented by the MENR using its own resources. Related budget have been transferred to nursery modernisation line based on PSC decision and budget revision
Output 2.3.4 Total 300 ha land is reforested across the selected rayons	Q3Y3	<i>50 ha reforested</i>	<i>51 ha reforested</i>	<i>ToR of 61 ha reforestation works have been cleared and PR raised</i>			66%	Additional 61 ha area will be reforested during autumn season of 2021
Output 3.1.1: Gender sensitive Project Monitoring & Evaluation Plan and system in place	Q3Y2	<i>FAO procedures on project monitoring applied</i>	<i>FAO procedures on project monitoring applied</i>	<i>FAO procedures on project monitoring applied</i>			30%	Monitoring system developed and operational
Output 3.1.2: Project Final Evaluations	Q4Y4	<i>N/A</i>	<i>N/A</i>	<i>Project Final Evaluation has been started</i>			0%	Final Evaluation will be conducted during last quarter of Y4

Output 3.2.1: Communication Strategy Action plan (CSAP) to raise awareness developed	Q3Y2	<i>Public survey conducted, CSAP and Information materials developed, published</i>	<i>Public awareness activities</i>	<i>Public awareness activities</i>			40%	Various information materials developed, published, distributed.
Output 3.2.2: A set of manuals or guidelines for forestry managers and technicians that captures and describe the improved practices, measures and technologies	Q3Y3	<i>Manual and guideline prepared for publication</i>	<i>Collect Earth Assessment report published (200 copies)</i>				60%	Guideline on FMP, NFI field data collection will be published
Output 3.2.3: Web portal established	Q2Y2	<i>Web page for testing developed</i>	<i>Web page is integrated into official MENR web portal (www.eco.gov.az)</i>				100%	Web page under Ministerial official web portal was developed

4. Information on Progress, Outcomes and Challenges on Project Implementation

Please briefly summarize main progress achieving the outcomes (cumulative) and outputs (during this fiscal year):

During the first half of the reporting period, project activities were implemented in accordance with the work plan approved at the 5th Project Steering Committee (PSC) meeting held on 23 June 2020. Due to the COVID-19 outbreak, the meeting was organized virtually via Zoom video conference call. The meeting aimed to discuss the progress of the project, the potential impact of the pandemic on planned and future activities, and the possible need for another no-cost extension of the project duration, and made several decisions regarding deviations in certain project activities and budget.

One of the decisions made by the members of the 5th PSC meeting was the purchase of a drone, which could be useful not only for monitoring of forests and results achieved in this direction, but also for developing forest management plans. Based on the technical specifications jointly developed by experts from FAO and the Ministry, the procurement of the drone was completed and the corresponding on-the-job training on its use was organized. Due to the aggravation of the epidemiological situation and the introduction of martial law in the country in the first and second quarters of the reporting period, further project activities were postponed or implemented virtually. The project was supposed to be completed by December 2020, however, due to delays in the implementation and finalization of project deliverables, it was decided to extend the project until the end of December 2021. This decision was agreed during the 6th PSC meeting, held on January 29, 2021, and the budgetary and implementation status of the project was revised accordingly.

During the reporting period, the National Forest Inventory (NFI) Manual for field data collection was developed by the International Consultant on Forest Data Collection and Analysis. The final version of the mentioned Manual in both languages, Azerbaijani and English, was presented to the Ministry, and is currently under review by local experts. After receiving feedback from local experts, it is planned to organize a peer review meeting to validate the developed Manual.

In addition, during the reporting period, the planned reforestation works in the Gakh region were completed, namely, the planting of hazelnuts in three selected areas.

At the same time, the forest management planning (FMP) work in the selected demonstration site was also successfully completed. The Institute of Crop Husbandry also completed the rehabilitation of 50 hectares of forest pastures in Agdash and Zardab regions.

Based on the developed Nursery Modernization Plan for Absheron region, nursery works are in on-going, and are planned to be completed by the end of June 2021.

Component 1: Forest Resource Information Management System

Under **Outcome 1.2 of Component 1**, During the reporting period, due to restrictions related to COVID-19, the implementation of NFI related support within the project was adapted to a virtual mode. In the coming months, the project team will be working on finalizing the NFI methodologies, including appropriate training for national partners on the institutional embedding of NFI into the forestry sector. Rehire of an international consultant on the NFI Assessment was finalized; the remaining NFI-related works are planned to be completed remotely, jointly with a newly recruited international consultant on Forestry Data Collection and Analysis.

Component 2: Forest Management Planning

Under **Outcome 2.1**, sustainable forest management was operationalized in two pilot sites across the country (Gakh and Agdash). 2 pilot forest management plans have been developed taking into account the national context and applying the experience of Turkey. The “Guidelines on multifunctional forest management planning” was updated, and a revised version was submitted to the Ministry for use as a guide for integration into subsequent multifunctional forestry works in the country. From 7 to 11 September 2020, a virtual 5-day training on forest management planning was organized to forestry experts, which also introduced spatial and relational forest databases and the FMP data model to the national forest management planning teams.

During the reporting period, in December, when in-country travel restrictions associated with COVID-19 were slightly eased, field missions were conducted to monitor management planning activities in Zagatala Regional Forestry Unit.

Under **Outcome 2.2**, within the framework of the signed Service Contract with the Scientific Research Institute on Crop Husbandry operating under the Ministry of Agriculture, the rehabilitation of forest pastures with an area of 50 hectares in the Agdash and Zardab regions was completed. **Within the same component**, alternative income-generating activities carried out within the framework of the project aimed at supporting small farmers in Gakh and Aghdash districts have also been completed. Support was provided to seven beekeepers and three hazelnut producers from these regions. The planting of hazelnuts in the villages of Ibakhly, Daimadagly and Gipchag of the Gakh region had been also completed.

Under **Outcome: 2.3**, A detailed Concept Plan for the Absheron Nursery Modernization was prepared with specific recommendations on how the forestry sector can be modernized at the national level, and submitted to the Ministry for validation. The Concept Plan is expected to serve as a prerequisite for subsequent rehabilitation and restoration works throughout the country. The Ministry validated the Modernization Plan.

At present, 80% of the modernization works under the project are completed. Although some activities were postponed due to the COVID-19 pandemic, it is expected that the entire modernization related support within the project will be completed by the end of June 2021.

Component 3: Monitoring, evaluation, and knowledge-sharing

Awareness-raising works on environmental concerns and the role of forests in coping with climate change mitigation are also on-going. During the reporting period, the Partner Institution – IDEA Campaign, developed several information materials, such as posters, brochures/leaflets, and organized a series of awareness-raising events in the pilot areas of the project. The developed materials were successfully disseminated during the events. Short videos of the events were also filmed. By the end of June 2021, it is also expected to develop success stories on the income-generating activities carried out within the framework of the project.

What are the major challenges the project has experienced during this reporting period?

- The key challenge facing the project is the limited number of forestry staff and the lack of adequate capacity in the country.
- Another key challenge faced during the reporting period was the stagnation of the field/mission activities, given their seasonal dependence, which was impossible to organize due to the lockdowns and the introduction of martial law in the country.
- The inability to conduct physical consultations with stakeholders, as well as the inability of international consultants involved in the project to travel due to the restrictions of international travel, given that their support and inputs were essential due to the lack of local capacity/expertise.
- Limited capacity and experience among LCs for remote work and online interactions as well as limited remote data and information access and processing capacities.

Way forward:

- More frequent communication will take place virtually with government officials to ensure national ownership and their active support in project successful finalization.
- Project implementation timeline and activities were revised considering the restrictions imposed by the COVID-19 situation, especially with regard to restrictions on movement, restriction of international travel and maintenance of social distance.
- Increased use of web-based and other remote monitoring tools to support project implementation, engage with stakeholders and ensure the verification of project outputs.
- With increased clarity on pandemic protocols for distancing and safeguards, field missions will be undertaken where possible following these protocols and guidelines. Field work in some cases were also being done through the support of local coordinators.
- A project extension requested during the reporting period would allow the project team to complete the current and expected project activities and thus way, achieving the expected results of the project.

Development Objective (DO) Ratings, Implementation Progress (IP) Ratings and Overall Assessment

Please note that the overall DO and IP ratings should be substantiated by evidence and progress reported in the Section 2 and Section 3 of the PIR. For DO, the ratings and comments should reflect the overall progress of project results.

FY2021 Development Objective rating ¹⁶	FY2021 Implementation Progress rating ¹⁷	Comments/reasons ¹⁸ justifying the ratings for FY2021 and any changes (positive or negative) in the ratings since the previous reporting period
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¹⁶ **Development/Global Environment Objectives Rating** – Assess how well the project is meeting its development objective/s or the global environment objective/s it set out to meet.

For more information on ratings, definitions please refer to Annex 1.

¹⁷ **Implementation Progress Rating** – Assess the progress of project implementation. For more information on ratings definitions please refer to Annex 1.

¹⁸ Please ensure that the ratings are based on evidence

<p>Project Manager / Coordinator</p>	<p>S</p>	<p>S</p>	<p>In overall, project achieved most of its major global environmental objectives and benefits, including the implementation of most its components and outcomes set at its approved workplan (see above ratings), with only few shortcomings.</p> <p>Covid-19 pandemic and related restrictions caused some of the works to be postponed, the field data collection works that was important for NFI related activities. Thus, NFI – data collection and analysis (Output 1.2.3) can be an example for such activities which rated only 20% output achievement. Despite these challenges, during the project implementation adaptive measures have been chosen to realize the targeted activities in timely manner using online tools and modern assessment tools as possible. Those works will be finalized by autumn period 2021.</p> <p>As a an example for a good practice, Forest Management Planning works (Output 2.1.3.) was rated as HS which was conducted in pilot site based on developed Guidance on FMPs. It is notable that, in previous years, in pilot areas due to the failure to run forest inventory work, the data on forest was out of date and was not accurate. Forest agencies lacked on the knowledge and equipment to undertake forest monitoring. Forestry experts and decision-makers used traditional technologies to monitor and assess environmental objectives, especially to assess carbon, biodiversity, and socio-economic dynamics.</p> <p>At present, implementation of Component 2 was quite beneficial launching such capacity in Azerbaijan in terms of aforementioned aspects, thus, MENR is continuing to apply acquired methodology in other Forest Fund areas - beyond the pilot sites and have plans to expand these activities- the trained staff will use their relevant skills to assess forest resources, to explore the potential of forest functions and practically apply the relevant guideline developed based on FAO methodology in other new areas. Thus, they have been equipped with relevant tools, guidelines, and technics under the project to deliver those works.</p> <p>Project activities also served to improve decision-making process on forest management and sustainable use of forest resources.</p>
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Budget Holder	S	S	The project has strong government ownership and is on track to achieve its objectives. Despite delays in some of the project's activities due to COVID19 restrictions, every effort is being made to achieve the project's targets and ensure continued sustainability of the results achieved.
GEF Operational Focal Point			<p>To sum up the evaluation, the project objective was addressed by implementation of planned activities. Despite the Covid-19 pandemic that affected to project duration and timelines, including outdoor activities, the most set targets achieved, and challenges were well responded through adaptive decision-making by project team. At this mid-term review project implementation status stands in satisfactory level, while remained workplan are expected to be fulfilled until the end of this year.</p> <p>For example, NFI- data collection and analysis were postponed to the later stage of the project because of field survey restrictions for Covid-19. Meanwhile, it is one of the major elements contributing to the overall rate of Outcome 1.2. and expected to be carried out without any site work but using Collect Earth and relevant modern tools managed from the desk. The risk of implementation is evaluated to be very low, as related works and ToR for international experts has been confirmed, workplan was developed.</p> <p>Nevertheless, project justified itself by launching SFM legacy in the country and relevant baseline for foresters. Project formed new forester generation able to use modern forest evaluation and planning technics and avoid traditional tools.</p>
Lead Technical Officer¹⁹	S	S	The progress in project implementation made so far points out towards a successful completion of the envisioned results

¹⁹ The LTO will consult the HQ technical officer and all other supporting technical Units.

FAO-GEF Funding Liaison Officer	S	S	The project is on track to achieve its objectives. Activities related to the methodological approach, equipment needed and capacity building to develop a forest monitoring system have been completed. Data collection efforts are well under way. Similarly, multifunctional management plans (and associated capacity) have been completed. Efforts will now focus on rehabilitation and reforestation targets, as well as upscaling efforts and awareness raising.
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5. Environmental and Social Safeguards (ESS)

Under the responsibility of the LTO (PMU to draft)

This section of the PIR describes the progress made towards complying with the approved ESM plan, when appropriate. Note that only projects with **moderate** or **high** Environmental and Social Risk, approved from June 2015 should have submitted an ESM plan/table at CEO endorsement. This does not apply to **low** risk projects. Please add recommendations to improve the implementation of the ESM plan, when needed.

Social & Environmental Risk Impacts identified at CEO Endorsement	Expected mitigation measures	Actions taken during this FY	Remaining measures to be taken	Responsibility
ESS 1: Natural Resource Management				
ESS 2: Biodiversity, Ecosystems and Natural Habitats				
ESS 3: Plant Genetic Resources for Food and Agriculture				
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture				
ESS 5: Pest and Pesticide Management				
ESS 6: Involuntary Resettlement and Displacement				
ESS 7: Decent Work				
ESS 8: Gender Equality				
ESS 9: Indigenous Peoples and Cultural Heritage				
New ESS risks that have emerged during this FY				

In case the project did not include an ESM Plan at CEO endorsement stage, please indicate if the initial Environmental and Social Risk classification is still valid; if not, what is the new classification and explain.

Overall Project Risk classification (at project submission)	Please indicate if the Environmental and Social Risk classification is still valid ²⁰ . If not, what is the new classification and explain.
Low risk	Valid

Please report if any grievance was received as per FAO and GEF ESS policies. If yes, please indicate how it is being/has been addressed.

6. Risks

Risk ratings

RISK TABLE
<p><i>The following table summarizes risks identified in the Project Document and reflects also any new risks identified in the course of project implementation. Please make sure that the table also includes the Environmental and Social Management Risks captured by the Environmental and social Management Risk Mitigations plans. The <u>Notes</u> column should be used to provide additional details concerning manifestation of the risk in your specific project, as relevant.</i></p>

²⁰ **Important:** please note that if the Environmental and Social Risk classification is changing, the ESM Unit should be contacted and an updated Social and Environmental Management Plan addressing new risks should be prepared.

	Risk	Risk rating ²¹	Mitigation Actions	Progress on mitigation actions ²²	Notes from the Project Task Force
1	Government engagement in the Project at the highest level is insufficient to ensure mainstreaming, upscaling and replication. As a result, the enabling and institutional measures to be proposed by the Project will not be adopted.	Medium	The Project have several strategies to mitigate this risk: (i) most of the work in the early years will be undertaken at the local level, so during this period time will be taken to advocate and build partnerships at high level government; (ii) the project will demonstrate the advantages of SFM in economic terms, which should attract high level government interest; (iii) the project will establish partners with many stakeholders and will create joint approaches to fostering high-level commitment	The Project has built a fruitful collaboration environment with the high level governmental officials of the Ministry of Ecology. The Ministry has adopted project strategy of application of conceptual approach to SFM to explore the advantages of SFM in economic terms. Frequently organized PSC meetings has strengthened the ownership of the project.	

²¹ GEF Risk ratings: Low, Moderate, Substantial or High

²² If a risk mitigation plan had been presented as part of the Environmental and Social management Plan or in previous PIR please report here on progress or results of its implementation. For moderate and high risk projects, please Include a description of the ESMP monitoring activities undertaken in the relevant period".

	Risk	Risk rating²¹	Mitigation Actions	Progress on mitigation actions²²	Notes from the Project Task Force
2	<p>The enabling legal and institutional framework is not sufficiently conducive to the Project Objectives, and is not modified/adopted in a timely way.</p> <p>The policy, legal and regulatory framework for forestry in Azerbaijan has changed in recent years, however, it still has several weaknesses, which may hinder achieving some of the Project Objectives</p>	Medium	<p>The Project is designed so that most objectives can be reached through the site level, demonstration and pilot activities.</p> <p>However, some objectives (notably replication and upscaling) will require ultimately changes in the enabling framework. This situation will be monitored in a continuous manner by the Government and FAO, and strategic changes to the Project approach will be determined if necessary.</p>	<p>During project implementation constructive discussions with the Ministry lead to idea to develop/revise National Forestry Program for Azerbaijan covering the period of 2020-2030. Developed within additional FAO TCP project, revised NFP will play a role of a roadmap for the government during future SFM related actions.</p>	
3	<p>Financially sustainable models of forest management have not been identified/developed yet for Azerbaijan.</p>	Medium	<p>In response, the Project will develop activities and strategies to foster financial sustainability – this is a main strategy of the Project.</p>	<p>SFM Criteria and Indicators developed, submitted and adopted. Guidelines on Multifunctional Forestry Management Planning is developed and submitted to the government comprising main elements of financial sustainability in forest management planning.</p>	

	Risk	Risk rating ²¹	Mitigation Actions	Progress on mitigation actions ²²	Notes from the Project Task Force
4	<p>Climate change may lead to increased threats to forests, through fire, pests, diseases and changing climatic conditions (temperature, precipitation).</p> <p>Many of the forests are currently vulnerable to pests and diseases – these are two vectors that are likely to be exacerbated by the impacts of climate change.</p>	Low	The time scale for climate change should mean that it does not significantly impact forests during the Project implementation. Further, the Project, by greatly increasing overall forest management capacity, should greatly contribute to climate change resilience in Azerbaijan.	Climate change adaptation related topics have been included to both SFM Criteria and Indicators and Guidelines on Multifunctional Forestry Management Planning. Climate change is the topic of all capacity development related actions within the project.	
5	Delays in project implementation due to COVID-19 lockdown situation (NOT FORESEEN IN PRODOC, ad hoc addition here, see detailed report under section 14 Possible impact of the Covid-19 pandemic on the project)	Medium	No-cost extension of the project for 1 year (31 December 2021)	5 th PSC has approved no-cost extension	

Project overall risk rating (Low, Moderate, Substantial or High):

FY2020 rating	FY2021 rating	Comments/reason for the rating for FY2021 and any changes (positive or negative) in the rating since the previous reporting period
Low	Low	Despite of frequent changes in administration and structure within the Ministry, the project has maintained and even improved collaboration level with the respective governmental officials to keep project risk at a low level.

7. Adjustments to Project Strategy – Only for projects that had the Mid-term review (or supervision mission)

If the project had a MTR review or a supervision mission, please report on how the MTR recommendations were implemented as indicated in the Management Response or in the supervision mission report.

MTR or supervision mission recommendations	Measures implemented
Recommendation 1:	
Recommendation 2:	
Recommendation 3:	
Recommendation 4:	

Adjustments to the project strategy.

Please note that changes to outputs, baselines, indicators or targets cannot be made without official approval from PSC and PTF members, including the FLO. These changes will follow the recommendations of the MTR or the supervision mission.

Change Made to	Yes/No	Describe the Change and Reason for Change
Project Outputs	No	N/A
Project Indicators/Targets	No	N/A

Adjustments to Project Time Frame

If the duration of the project, the project work schedule, or the timing of any key events such as project start up, mid-term review, final evaluation or closing date, have been adjusted since project approval, please explain the changes and the reasons for these changes. The Budget Holder may decide, in consultation with the PTF, to request the adjustment of the EOD-NTE in FPMIS to the actual start of operations providing a sound justification.

Change	Describe the Change and Reason for Change
Project extension	<p>Original NTE: 30.09.2019 Revised NTE: 31.12.2021</p> <p>Justification: Another no-cost extension of the project has become necessary as a result of the challenges posed by the COVID-19 pandemic, and the temporary introduction of martial law in the country in the first quarter of the reporting period, would allow the project team to complete the current and expected project activities and thus way, achieving the expected results of the project.</p>

8. Stakeholders Engagement

Please report on progress, challenges, and outcomes on stakeholder engagement (based on the description of the Stakeholder engagement plan included at CEO Endorsement/Approval (when applicable))

There were minor changes in the list of stakeholders involved compared to the table that was included in the CEO Endorsement Document:

- The Department of Forest Development within the Ministry of Ecology and Natural Resources was renamed to Forestry Development Services due to structural changes within the Ministry.
- Scientific Research Institute on Crop Husbandry was involved in pasture rehabilitation related project interventions.
- IDEA Public Union is engaged in the awareness raising activities foreseen under the project through the Letter of Agreement with FAO.

9. Gender Mainstreaming

Information on Progress on gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent (when applicable)

Gender snapshot analysis is been enabled on all levels of project implementation. Participants of all project events are tracked using gender disaggregated data. Project has involved a Gender Expert to conduct the gender and socio-economic assessment.

During the project interventions covering alternative income generating activities gender was considered one of the important criteria, and 40% of the beneficiaries were female farmers.

The project also benefits from close oversight and support of the Gender Focal Point of the FAO Country Office as well as the Gender Specialists in FAO's regional and sub-regional networks.

10. Knowledge Management Activities

Knowledge activities / products (when applicable), as outlined in knowledge management approved at CEO Endorsement / Approval

For improving Forest Management Planning and Database the necessary hardware and software - Geo-referenced database was set up in Azerbaijan to be used for functional forest management planning according to both FAO and Turkish standards under FAO.

10 foresters trained on Collect Earth software, Ex-act tool for carbon calculations.

A training of trainers program on forest management planning were conducted.

10 foresters trained as trainers for delivering acquired knowledge to existing forest management planning teams.

Guidelines on multifunctional forest management planning were printed and disseminated among MENR FDS.

FMP of Zagatala Multifunctional Forestry Management Plan was published and submitted to MENR Regional Forestry Service. At present MENR plans to apply FMP manual to other regions - Shamakhi and Gabala Regional Forestry Areas.

NFI Manual was developed based on FAO methodologies.

11. Indigenous Peoples Involvement

Are Indigenous Peoples involved in the project? How? Please briefly explain.

N/A

12. Innovative Approaches

Please provide a brief description of an innovative²³ approach in the project / Programme, describe the type (e.g. technological, financial, institutional, policy, business model) and explain why it stands out as an innovation.

Guidelines for the forest management planning, NFI Manual reflect international best practices and has a potential to significantly improve the methods and practices used for sustainable forest management. Geo-referenced database was set up in Azerbaijan to be used for functional forest management planning.

To improve the NFI works, new equipment and tools were purchased under the Project. DRONE was one of those modern devices to support forest assessment and monitoring – especially, to monitor promptly the forest sites while wildfires, extreme forest mountain landscape and others.

Absheron Nursery Centre was equipped with automated irrigation system, using watering programs for greenhouse.

GIS lab was modernized and maintained with modern equipment.

13. Possible impact of the Covid-19 pandemic on the project

Please indicate any implication of the Covid-19 pandemic on the activities and progress of the project. Highlight the adaptative measures taken to continue with the project implementation.

Due to certain delays in project activities caused by the pandemic, it was decided to extend the project for another year. Currently, most of the project activities are proceeding as planned and no significant delays are expected. Mitigation measures have been taken, which include regular consultations and meetings with stakeholders and relevant government and non-government agencies, to generate strong ownership and support the long-term sustainability of the activities after the project is completed.

At the same time, in response to potential implementation challenges, if any, activities will be modified as needed; Awareness raising and capacity building activities will be conducted virtually or in person, in strict accordance with the pandemic's distancing and security protocols.

²³ Innovation is defined as *doing something new or different in a specific context that adds value*

14. Co-Financing Table

Sources of Co-financing ²⁴	Name of Co-financer	Type of Co-financing	Amount Confirmed at CEO endorsement / approval	Actual Amount Materialized at 30 June 2021	Actual Amount Materialized at Midterm or closure (confirmed by the review/evaluation team)	Expected total disbursement by the end of the project
Recipient Government	Ministry of Ecology and Natural Resources of Azerbaijan Republic (MENR)	In-kind	6,000,000	4,185,530	N/A	6.000.000
Implementing Agency	FAO	In-kind	1,000,000	570.000	N/A	2,000,000
		TOTAL	7,000,000	4,755,530		

²⁴ Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Beneficiaries, Other.

Please explain any significant changes in project co-financing since Project Document signature, or differences between the anticipated and actual rates of disbursement

Annex 1. – GEF Performance Ratings Definitions

Development/Global Environment Objectives Rating – Assess how well the project is meeting its development objective/s or the global environment objective/s it set out to meet. **DO Ratings definitions:** **Highly Satisfactory (HS)** - Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”); **Satisfactory (S)** - Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings); **Moderately Satisfactory (MS)** - Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits); **Moderately Unsatisfactory (MU)** - Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives); **Unsatisfactory (U)** - Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits); **Highly Unsatisfactory (HU)** - The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.)

Implementation Progress Rating – Assess the progress of project implementation. **IP Ratings definitions:** **Highly Satisfactory (HS):** Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be resented as “good practice”. **Satisfactory (S):** Implementation of most components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action. **Moderately Satisfactory (MS):** Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action. **Moderately Unsatisfactory (MU):** Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action. **Unsatisfactory (U):** Implementation of most components is not in substantial compliance with the original/formally revised plan. **Highly Unsatisfactory (HU):** Implementation of none of the components is in substantial compliance with the original/formally revised plan.