



Conservation and sustainable use of biodiversity: Strengthening network of protected areas through advanced governance and management

Part I: Project Information

GEF ID

10113

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT

NGI

Project Title

Conservation and sustainable use of biodiversity: Strengthening network of protected areas through advanced governance and management

Countries

Azerbaijan

Agency(ies)

FAO

Other Executing Partner(s)

Ministry of Environment and Natural Resources

Executing Partner Type

Government

GEF Focal Area

Biodiversity

Taxonomy

Focal Areas, Biodiversity, Tourism, Mainstreaming, Forestry - Including HCVF and REDD+, Agriculture and agrobiodiversity, Productive Landscapes, Protected Areas and Landscapes, Community Based Natural Resource Mngt, Terrestrial Protected Areas, Strengthen institutional capacity and decision-making, Influencing models, Demonstrate innovative approach, Individuals/Entrepreneurs, Private Sector, Stakeholders, Partnership, Type of Engagement, Strategic Communications, Communications, Local Communities, Beneficiaries, Community Based Organization, Civil Society, Academia, Gender-sensitive indicators, Gender Mainstreaming, Gender Equality, Women groups, Sex-disaggregated indicators, Access and control over natural resources, Gender results areas, Capacity Development, Participation and leadership, Capacity, Knowledge and Research, Field Visit, Knowledge Exchange, South-South, Peer-to-Peer

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Submission Date

10/5/2018

Expected Implementation Start

9/1/2021

Expected Completion Date

8/31/2026

Duration

60In Months

Agency Fee(\$)

250,774.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-2-7	Address direct drivers to protect habitats and species and improve financial sustainability, effective management and ecosystem coverage of the global protected area estate.	GET	1,000,000.00	3,500,000.00
BD-1-1	Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors.	GET	1,639,726.00	5,000,000.00
Total Project Cost(\$)			2,639,726.00	8,500,000.00

B. Project description summary

Project Objective

To strengthen the effectiveness of Azerbaijan's protected area system to deliver Global Environmental Benefits using a landscape approach to governance and management.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. Strengthening the national and local enabling environment to support a landscape approach to conserving biodiversity	Technical Assistance	<p>1.1 Policy, regulatory and decision-making frameworks strengthened to support application of a landscape approach to managing PAs, buffer (sanitary) zones and adjacent systems under sustainable production. Indicators:</p> <ul style="list-style-type: none"> - Legal and regulatory recommendations for integrated landscape management in and around PAs mainstreamed into key national policies in water, forestry and agricultural sectors (one for each sector. - Number of government agencies and municipalities engaging in joint planning and decision-making (ministries of agriculture, environment, forestry and water + 75% of municipalities at pilot sites involved in decision-making forums). - Number of regions/districts that mainstream BD protection 	<p>1.1.1 National Integrated Landscape Management Strategy & Action Plan (ILMSAP) that addresses identified gaps in policy, regulatory and decision-making frameworks developed.</p> <p>1.1.2 Ecosystem Services Valuation at landscape level that informs policy reforms through communication, landscape, financing and PA management strategies undertaken.</p> <p>1.1.3 Integrated Landscape Management Communication Strategy and Action Plan (ILM-CSAP) prepared and delivered to target sectors at national, district, municipal and community levels.</p>	GET	533,675.00	850,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. Deploying innovative strategies and tools to improve management and viability of PAs system	Technical Assistance	2.1. Improved institutional capacity and financial sustainability to manage and monitor the PAs system.	2.1.1 Sustainable Financing Strategy and Action Plan for PAs system, based on a 10-year vision, developed and operational.	GET	613,550.00	4,350,000.00
		<p>Indicators</p> <p>Percent increase in score of elements of METT dealing with capacity (institutional and financial) to manage and monitor.</p>	2.1.2 Participatory, user-friendly monitoring and information management platform for PAs system (PAMIMS) designed and operational.			
			2.1.3 Participatory Management Plans (PMP) for two pilot PAs and their buffer zones, including financing and monitoring plans, prepared and endorsed by MENR.			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Restoring, maintaining and enhancing biodiversity and ecosystem functions and services in target landscapes	Investment	<p>3.1. Threats to biodiversity reduced, degraded lands restored and ecosystem functions and services enhanced in target landscapes.</p> <p>Indicators:</p> <ul style="list-style-type: none"> -Area of terrestrial PAs under improved management for conservation and sustainable use, with a target of 94,733 hectares [Core Indicator 1]. -Area of municipal lands better suited against degradation, with a target of 200 hectares [Core Indicator 3]. Area of landscapes (excluding PAs) within the buffer zones under improved practices, with a target of 700 hectares [Core Indicator 4]. <p>Shirvan NP</p> <ul style="list-style-type: none"> - Improved water management in Flamingo lake. - Gazelle 	<p>3.1.1 Participatory (community-based) integrated landscape management demonstrated in two pilot PAs, adjacent production systems and buffer zones.</p> <p>3.1.2 Alternative livelihood opportunities and markets identified in PA Management Plans and associated Community / Municipality Enclave Plans developed.</p>	GET	940,425.00	2,400,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
4 Building capacity, managing knowledge, monitoring and evaluation	Investment	<p>4.1 Capacity to effectively manage and monitor PAs system and adjacent/ enclosed buffers improved through training and knowledge of their ecological and management status.</p> <p>Indicators: -Gender balanced number of direct beneficiaries (attending capacity building activities) with a target of 1000 beneficiaries -Lessons learned, best practice guidelines and training modules generated, accessible, and disseminated via PAMIMS platform.</p> <p>. 4.1.1 Web-based PA Monitoring and Information Management System (PAMIMS) designed, populated, operational and accessible for monitoring and information purposes.</p>	<p>4.1.1 Web-based PA Monitoring and Information Management System (PAMIMS) designed, populated, operational and accessible for monitoring and information purposes.</p> <p>4.1.2 Landscapes and PAs Management Training Programme plus Handbook designed, delivered and institutionalised, with international collaboration and exchanges as appropriate.</p> <p>4.1.3 Gender-sensitive M&E Plan in place to inform project implementation, decision-making and adaptive management.</p>	GET	423,350.00	400,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
				Sub Total (\$)	2,511,000.00	8,000,000.00
Project Management Cost (PMC)						
		GET	128,726.00		500,000.00	
		Sub Total(\$)	128,726.00		500,000.00	
		Total Project Cost(\$)	2,639,726.00		8,500,000.00	

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	FAO	Grant	Investment mobilized	1,000,000.00
Recipient Country Government	Ministry of Ecology and Natural Resources	In-kind	Recurrent expenditures	5,500,000.00
Recipient Country Government	Ministry of Ecology and Natural Resources	Grant	Investment mobilized	2,000,000.00
Total Co-Financing(\$)				8,500,000.00

Describe how any "Investment Mobilized" was identified

Investment mobilized from FAO comes from the FAO-Azerbaijan Partnership program and other technical cooperation programs (e.g. FAO-Turkey Partnership Program) that seek to improve natural resources management, improve land use planning and improve agricultural production efficiency. Government of Azerbaijan will mobilize investment (1.250.000 USD) for co-financing from other ongoing projects funded by other donors aiming to improve existing policy and strategies for better management and conservation of biodiversity, for developing and improvement of ecosystem services valuation capacity in country, as well as for improvement of overall protected areas management system, including monitoring and capacity development of the relevant government institutions. In addition to this, the Government will mobilize the investments (750.000 USD) from already approved state programs aimed to increase land productivity and water management through rehabilitation of the drainage systems at surroundings of the pilot project areas.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
FAO	GET	Azerbaijan	Biodiversity	BD STAR Allocation	2,639,726	250,774
Total Grant Resources(\$)					2,639,726.00	250,774.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required

PPG Amount (\$)

100,000

PPG Agency Fee (\$)

9,500

Agency	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)
FAO	GET	Azerbaijan	Biodiversity	BD STAR Allocation	100,000	9,500
Total Project Costs(\$)					100,000.00	9,500.00

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management for conservation and sustainable use

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
132,896.00	94,733.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDP A ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
132,896.00	94,733.00	0.00	0.00

Name of the Protected Area	WDP A ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
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Name of the Protected Area	WDP A ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Aggol National Park	125689 34250 6394	SelectNational Park	41,611.00	0.00					
Akula National Park Goygol National Park	125689 55554 9394	SelectNational Park	17,924.00	0.00					
Akula National Park Hirkan National Park	125689 31347 0	SelectNational Park	12,755.00	40,358.00			40.00		
Akula National Park Shirvan National Park	125689 34250 5	SelectNational Park	60,606.00	54,375.00			42.00		

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
20000.00	41986.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
20,000.00	41,986.00		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
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Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
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Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	0	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE
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Indicator 5.3 Amount of Marine Litter Avoided

Metric Tons (expected at PIF)	Metric Tons (expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
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Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	2500000	2500000	0	0
Expected metric tons of CO ₂ e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	2500000	2,500,000		
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting	2021	2021		
Duration of accounting	20	20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female		30,150		
Male		36,850		
Total	0	67000	0	0

Part II. Project Justification

1a. Project Description

1 A: The global environmental and/or adaptation problems, root causes and barriers

National Context

1. The southern Caucasus is part of a globally important ecoregion, Caucasus-Anatolian-Hyrcanian Temperate Forests, prioritized by WWF and others for conserving the most outstanding and representative habitats on planet Earth.[1]¹ It is part of the Caucasus biodiversity hotspot, identified by Conservation International[2]² as one of the 34 richest but most threatened reservoirs of plant and animal species on Earth. The *Greater Black Sea Basin*, which includes the Caucasus has also been prioritised by WWF as one of the world's 35 'priority places' for conserving species and reducing humanity's ecological footprint.[3]³

Table 1: Comparison of species diversity, endemism and threatened status among vascular plants and vertebrate groups highlights the relative importance of Azerbaijan within the Caucasus.

Region	Area (km ²)	Vascular Plant Species			Mammal Species			Bird Species			Reptile Species			Amphibian Species			Fish Species		
		Total	Endemic	CR EN VU	Total	Endemic	CR EN VU	Total	Endemic	CR EN VU	Total	Endemic	CR EN VU	Total	Endemic	CR EN VU	Total	Endemic	CR EN VU
1Caucasus Ecoregion	580,000	>7,000	>25%	*700	153	>5		400	4		87	28		14	4		200	33%	
2Azerbaijan	86,600	4,500	+210	45/349	107	1	8/109	394	1	18/359	54	9/48	10		1/11	102		14/80	
Azerbaijan	including Caspian Sea Region				12509	1	78	466	1	718	54	9	11		2	133	54	714	

1 Source: *Ecoregion Conservation Plan for the Caucasus*. 2012 revised and updated edition. **Note** that Caucasus defined as Armenia, Azerbaijan, Georgia, North Caucasian part of Russian Federation, N.E. Turkey, and part of N.W. Iran.

2 Sources: *Azerbaijan Fifth National Report, CBD*, 2014 for endemic species; and https://www.ibat-alliance.org/country_profiles/AZE (accessed 31 March, 2020) for globally threatened IUCN Red List species (**C**Ritically endangered, **E**Ndangered and **V**ulnerable), together with the total number of species assessed.

* 700 species are listed in National Red Books, of which only a proportion are globally threatened species.

+ In the case of Azerbaijan, globally threatened species data for vascular plants are currently limited to Lilaceae and Magnoliaceae.

2. Azerbaijan hosts the richest diversity of ecosystems and habitats in the Caucasus region and, due to its biogeographical location, endemism is high. For example, 64% of the Caucasus vascular flora has been recorded in Azerbaijan and comprises some 4,500 species, of which 210 are considered to be endemic. Vertebrates total 667 species; and more if the Caspian Sea is included. Waters of the Caspian Sea house 133 fish species of which 54 are endemic. [4]⁴ Further comparative data on diversity of endemic and threatened species are provided in **Table 1**.

3. While many high alpine meadows, deciduous forests, steppes and semi-deserts, marshes, coastal plains and marine ecosystems are still in relatively pristine and natural condition, 102 species are globally threatened including high proportions of vertebrates (50 species), Magnoliaceae (39) and of Lilaceae (5 species). Further details are given in **Table 1**. [5]⁵

4. Following its independence in 1991 Azerbaijan achieved much conservation in the wake of its March 2000 Law on Specially Protected Natural Territories and Objects (No. 840-IQ), when 16 protected areas (PAs) were designated 10 of which are national parks (NPs). The system of 42 PAs currently covers 10.3% (8,907.84 km²) of the country and comprises 10 State Natural Reserves, 10 NPs and 23 State Natural Sanctuaries. This compares with 70 Key Biodiversity Areas (KBAs) [6]⁶ identified for Azerbaijan, covering 16.6% (14,392.5 km²) [7]⁷ of the country; and PAs coverage is complete (?98%) for only 4% of KBAs, partially complete for 49% and absent from 47% of KBAs. Further details and maps of the national network of KBAs and PAs are provided in **Annex 1**.

5. In spite of these achievements, government's recognition of the value of the country's ecosystems and diversity of species and its efforts to protect them, biodiversity continues to decline, largely as a result of anthropogenic activities. Key pressures include land degradation, habitat fragmentation, overharvesting, pollution from waste, invasive species and climate change. 4 Measures

to address them are included in Azerbaijan's National Biodiversity Strategy and Action Plan (NBSAP) for the period 2017-2020.[8]⁸ Priority objectives are:

- ? ensuring broad extension of environmental education in the society for improving awareness of population on biological diversity and ecosystem services;
- ? improving biodiversity monitoring systems;
- ? restoring and conserving biodiversity, ecosystems, genetic diversity;
- ? developing and effectively managing the protected areas and expansion of the current network;
- ? reducing the negative impacts on biodiversity and its sustainable use;
- ? improving regulatory framework for ensuring the sustainability of biodiversity;
- ? increasing public participation in biodiversity conservation at the national and local level;
- ? developing collaborative management in biodiversity conservation;
- ? providing adequate resources for conservation and sustainable use of biodiversity;
- ? strengthening institutional capacities in the planning, management and use of biodiversity.

6. In this context, the proposed project will support biodiversity conservation efforts by strengthening the effectiveness of Azerbaijan's PAs system while, delivering more sustainable management of surrounding production areas by means of a landscape approach to governance and management across sectors to deliver global environmental benefits (GEBs). Thus, the project will support most NBSAP objectives to the extent underlined and italicized above. The project also will take into account the importance of gender in achieving natural resource management objectives and specifically target women to ensure they fully participate in biodiversity conservation planning, training in new SLM technologies, and pursuing alternative livelihoods to reduce pressure on natural resources in the project areas.

Drivers of biodiversity and ecosystem services loss and degradation and remaining barriers[9]⁹

7. The root causes of biodiversity and ecosystem services loss and degradation in Azerbaijan were identified back in 2010 as being: rural poverty and lack of political will, data and awareness[10]¹⁰. However, significant changes have taken place during the last decade to the extent that, rural poverty is reducing as road access and services (electricity and gas) are brought to more remote villages, political will and awareness are increasing at state, district and municipality levels, and data are

improving albeit access remains challenging as they may be subject to approvals and/or fees. Such changes are reflected in a revised set of root causes for purposes of this project with its landscape approach, as follows:

- ? Rural poverty, with villages and enclaves of communities within some PAs or peripheral to their boundaries that lack basic necessities such as road access, clean water and energy for lighting, cooking and heating to underpin their livelihoods and help reduce their dependency on natural resources in the wild.
- ? Awareness, education and institutional capacities to understand and address matters concerning the conservation of wild plants and animals and the sustainable management of natural resources under production regimes in a holistic, inclusive manner that cuts across disciplines, governance levels, genders, and social and age groups.
- ? Readily accessible, sound data, information and knowledge about the status of the natural resource base (natural capital) and their management, generated from regular monitoring, to inform the resource users, managers, and policy and decision makers.
- ? Increasing human population, from 8.5 million in 2005 to 10.0 million in 2019,[11]¹¹ and concomitant increasing pollution in respect of waste from industries, households, livestock and crops; and use of chemical fertilisers, herbicides and insecticides in agriculture. Annual agricultural emissions (CO₂eq) have risen from about 3,800 gigagrams in the mid-1990s to a possible plateau at around 6,500 gigagrams from 2014 but no data are available beyond 2017.¹²

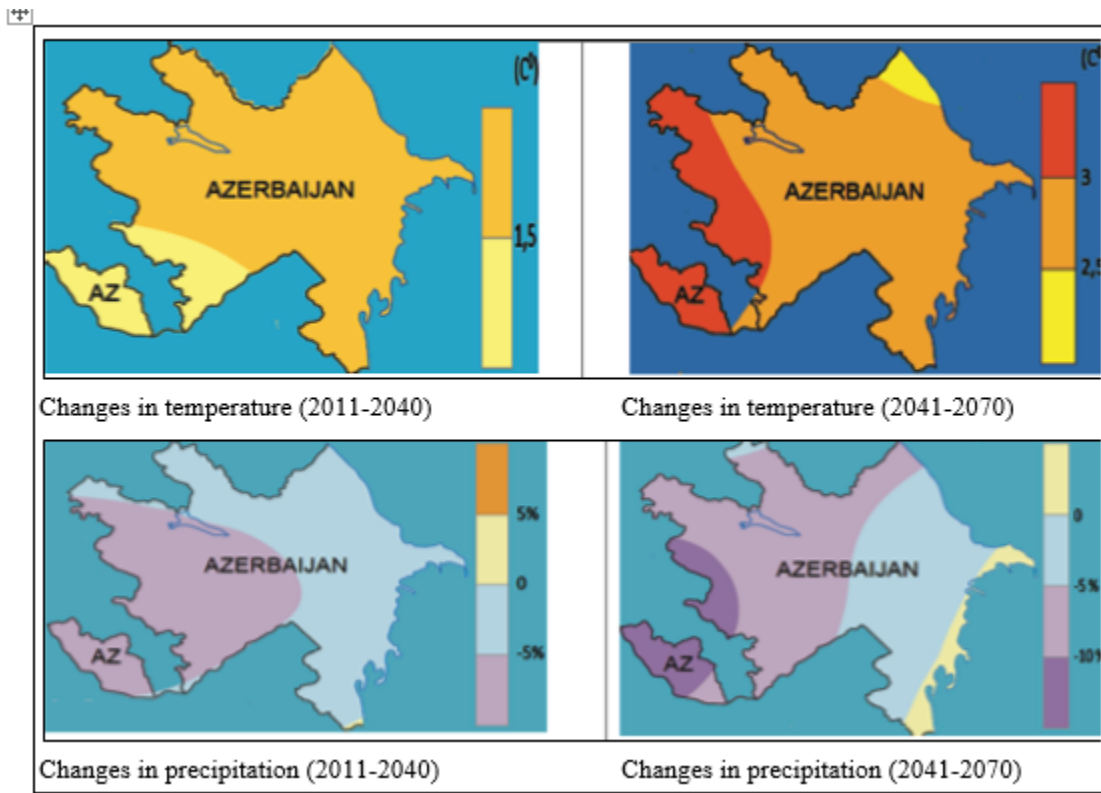
8. These root causes underpin a series of direct threats to biodiversity and the PA System. While the direct threats to biodiversity and ecosystem services vary greatly from site to site, the PA System in Azerbaijan faces common threats, namely:

- ? ***Human-induced habitat loss from both infrastructural development and agriculture.*** According to State Statistical Committee data from 2005 - 2018[12]¹², agricultural land has increased by just 0.44% to 47,795 km² but this amounts to 55% of the total area of the country (86,600 km²). Arable land and permanent croplands increased by 13.6% and 11.4% respectively, during this period, while land under permanent meadows and pastures decreased by 6%. Such trends are consistent with cereal production during a similar period (2005-2018): annual production increased from 2.1 million to 3.2 million tonnes as a consequence of annual yields increasing from 2.6 tonnes to 3.0 tonnes per hectare and areas harvested increasing from 0.793 million to 1.056 million hectares. While there are annual fluctuations, trends are
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evident: some 25% more land was under crop production during this last decade (2010s) than in the previous one (2000s), yields have increased by about 15% and overall production has increased by about 17%.

- ? ***Unsustainable practices such as overgrazing, wood collection, poaching, and overfishing.*** Overgrazing of winter and summer pastures by domestic sheep, goats and cattle is a major threat to terrestrial biodiversity at some sites³. For instance, in some locations, grazing land coincides with the grazing habitats of the Eastern tur (*Capra cylindricornis.*), Bezoar or Wild goat (*Capra aegagrus*, Vulnerable) and other rare, threatened or endemic ungulates in Azerbaijan. Overgrazing may also endanger threatened and endemic plant species; and natural succession is hindered when young shoots of trees are browsed, thus preventing degraded lands returning to forest. The situation is compounded in semi-arid lands, which comprise much of Azerbaijan, are overgrazed because they are colonised by inedible invasive plants and, thereby, further reduce grazing resources. In addition, despite a strict prohibition on wood harvesting countrywide, illegal cutting for fuelwood for local consumption and for charcoal production still occurs, particularly for more remote villages that have yet to be supplied with gas for cooking and heating.[13]¹³ In response, the 2015-2030 National Forestry Program for Azerbaijan¹³ foresees specific directions regarding use, conservation and regeneration of forest areas.
- ? Pollution of aquatic systems by untreated industrial effluents and domestic sewage, runoff from croplands and pastures treated with agrochemicals, and by sediment from degraded and eroded lands.[14]¹⁴.
- ? ***Climate scenarios forecast***, [15]¹⁵ comprise a 1.5 °C increase in temperature throughout all regions of Azerbaijan and a 5% decrease of precipitation in Nakhchivan and Lesser Caucasus during the period 2011-2040; after which temperatures are expected to increase by more than 2.50 °C in the central territories of the country and precipitation decrease by 10% in Nakhchivan and Zangazur during the period 2041-2070. [16]¹⁶ These scenarios are based on average values for the period 1961-1990 and shown in **Figure 1**

Figure 1: Scenarios forecast for changes in temperature and precipitation, (Source: Azerbaijan's *Third National Report to UNFCCC*, 2015).



9. Climate change impacts in Azerbaijan will directly affect many sectors, including those related to the conservation and sustainable use of biodiversity in PAs and their surrounding landscapes. Water resources in Azerbaijan, for example, are highly vulnerable to climate change. Lower winter precipitation (snow water resources) as well as spring precipitation has been observed leading to a decrease in both surface and ground water. In the case of the forest sector, a sharp increase in temperature alongside a decrease in precipitation during the summer months could cause droughts, damaging forest cover and leading to forest fires. Severe flooding and mudslides may lead to the destruction of forest cover in coastal areas, especially near the Kura River that passes through Shirvan National Park.

10. Analysis of the agricultural sector across Southern Caucasus nations (Armenia, Azerbaijan and Georgia) shows that six river basins are forecast to have irrigation water shortages in the 2040s under all climate scenarios (**Figure 2**). In such basins, increasing temperature coincides with a time of year when precipitation is decreasing, resulting in increasing aridity and reduced soil moisture. This will impact the high-value fruit and vegetable production areas in eastern Azerbaijan. Moreover, in the absence of adaptation measures being taken, irrigated crop yields could decline by up to 66-77% in these basins if the increasing competition for water from hydropower, industrial and municipal sectors is also taken into account. [17]¹⁷ Such issues are especially relevant to this project because its target

sites are located in subhumid and semi-arid areas of these river basins. They will need to be accommodated within the landscape approach piloted applied by the project.

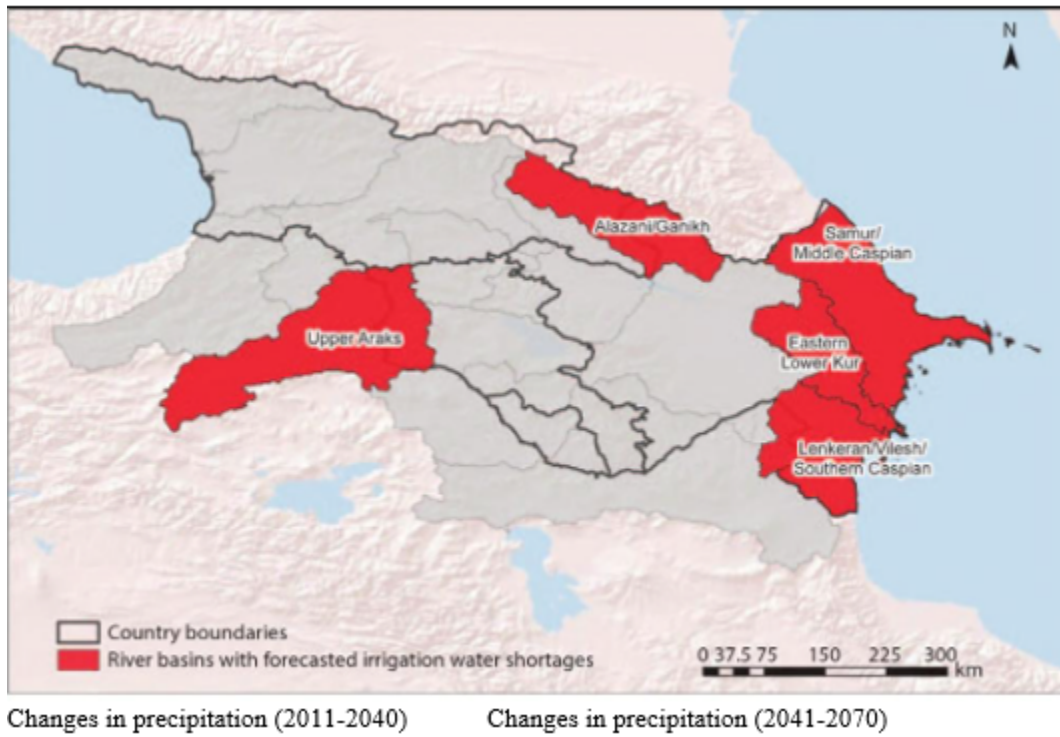


Figure 2: Southern Caucasus river basins forecast for irrigation water shortages by 2050 under all climate change scenarios. (Source: World Bank, 2014)

11. These threats are exemplified in the two target landscapes selected for this project, particularly with respect to habitat loss and land degradation arising from overuse of natural resources. Further details are provided in the descriptions of these sites.

12. Despite the government efforts to tackle biodiversity loss and degradation, there is a common set of barriers to achieve sustainable land management in Azerbaijan. These are:

Barrier 1 Policy, legal, planning and institutional enabling environment lacks provisions to support integrated governance and sustainable management of the PAs system within a wider landscape context.

13. *Lack of integrated policy, planning and management frameworks for PAs and their surrounding landscapes.* In general, there is a lack of an integrative coordinated approach to policy,

planning and decision-making for land, water and other natural resources across landscapes in Azerbaijan, with different sectors largely treated in isolation. The existing policy, regulatory and planning framework with respect to PA and production sectors across the wider landscapes in which PA are embedded is complex, fragmented and incomplete with overlaps and gaps. As a result, the governance and management of sectors involved in wider landscape, e.g. agriculture, forestry, BD conservation, energy and urban development, are fragmented with weak or absent cross-sectoral coordination or collaboration structures. Individual PAs, for instance, are treated largely independently of the management of the surrounding land uses.

14. Natural resource planning across the broader landscape does not adequately take into account the complex interactions between biodiversity and ecosystem goods and services provided by PAs, the surrounding land use and production systems, socio-economic development and local livelihood needs and priorities, climate change impacts, and the need for environmental security. There is generally poor coordination and harmonisation of the various planning approaches and tools that are used to address these issues at landscape and sub-landscape level (e.g. agricultural planning, IWRM, PA planning). A more integrative, landscape level, spatial land use planning approach is needed to ensure that land, water and other natural resource use is appropriately managed to maximize production without undermining or degrading biodiversity, land or other ecosystem goods and services.

15. Poor incentive mechanisms to support sustainable management and use of natural resources. There are inadequately developed market opportunities, value chains and incentive mechanisms for sustainable production practices in and around PAs and across the wider landscape, including to reward biodiversity friendly practices such as crops produced under environmentally sustainable management regimes, and limited more sustainable alternative livelihood opportunities for communities in and around PAs.

16. Low institutional collaboration and capacity at national level. There is a lack of close and collaborative cooperation between key institutional stakeholders, particularly at the landscape level, with often unclear and/or overlapping responsibilities for land, water and other natural resource governance and management among institutions at national and local level. This is combined with low technical expertise and knowledge/data to enable integrated land, water and other natural resource use decision-making and planning in institutions across sectors, at both national and local levels.

17. Low level of sustainable landscape and PA management. The main issue, which is not reflected in national legislation on protected areas, and which could be considered as serious barrier ? is operation of protected areas on basis of clearly defined and prepared Management Plan, which should be their main working document. In last years there were prepared three management plans, according to international standarts (for Hirkan, Shahdag and Shirvan National Parks), which were prepared within international projects. All three management plans were not operating, there were

stored on paper, thus in national legislation there is no mandatory provision on having management plans for protected areas. To update the legislation and avoid such gap, operation of protected areas on the basis of Management Plans, prepared according to international standards and approved by relevant executive authority (could be Minister of Ecology, or Cabinet of Ministers) should be included to the Law on Protection of Environment and other relevant normative legal acts. Such management plans for PAs could be efficient, thus they will link to landscape management in surrounding territories and will integrate to landscape approaches, which is important, due to the fact, that landscape level_spatial land use planning approach ensures that land, water and other natural resource use is appropriately managed to maximize production without degrading biodiversity, land, water or other ecosystem goods and services.

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Barrier 2 Limited awareness about values of biodiversity; role of PAs in conserving species, maintaining ecosystem functions and services (including public enjoyment); and urgent need to apply sustainable land use practices at landscape scales to enclaves/adjacent buffers zones and production systems.

18. *Limited awareness of the socio-economic benefits from PAs among decision-makers, dependent communities in the wider landscape, and general public.* PAs sit in a broader landscape and are affected by activities in this wider landscape, e.g. farming practices, water management. At the same PAs themselves impact areas/habitats and communities beyond the PA and its buffer zones, providing essential ES that benefit communities and economies well beyond their borders, such as pollination, supply of clean water, humidity and carbon sequestration.

19. This strongly argues for a landscape approach to the management of PAs. However, awareness of the values and benefits of biodiversity and ecosystem services for livelihoods, health, economic growth, poverty alleviation and sustainable development provided by PAs is still at a relatively low level among the public whose taxes fund them. Even populations in buffer zones tend to not fully appreciate the value of their neighbouring PA in providing or maintaining critical ecosystem goods and services on which many are dependent. As a result, environmental issues generally have a low political profile and decision-makers responsible for allocating state budgets do not allocate sufficient resources.

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Barrier 3 Limited institutional and financial capacity within the environmental, agricultural and forestry sectors to deliver long-term planning, sustainable management and effective monitoring of the PAs system and its wider landscape.

20. *Insufficient skilled, experienced and knowledgeable staff, and equipment and resources, and limited infrastructure to undertake the necessary management and development of the PA system in Azerbaijan.* There is limited institutional and stakeholder capacity at all levels to implement effective natural resource management at landscape scale. There is limited knowledge, skills and

training in PA management among PA staff, including in PA management planning and participatory approaches, conflict resolution and negotiation, and the support and development of sustainable businesses for PAs.

21. *Insufficient long-term financing for the PA system.* A significant limitation to an effective PA network in Azerbaijan and a major cause for its lack of capacity is the lack of long-term sustainable financing for the PA network as a whole, including the absence of a specific plan to address this. There are underdeveloped opportunities for innovative financing schemes in PA, e.g. water charges, and other PES schemes. Public sector funding for the PA network is insufficient, with several PAs largely depending on irregular external international donor funding (e.g. WWF, KFW, UNDP). Similarly, there is little private sector funding for PAs, or exploration of opportunities for investment from the business sector in Azerbaijan. At present, funding levels are only considered sufficient to cover the very minimum of PA management needs and do not allow development and full exploitation of economic possibilities. For instance, there is provision within the current legislation[18]¹⁸ to collect payments for the use of natural resources in Specially Protected Natural Areas (SPNAs), but the potential for raising funds for the PA system through this mechanism has not been realised.

22. *Insufficient legislation framework on financial management of PAs.* Having special environmental funds and collecting these finances, coming from penalties, money, earning from providing ecotourism services and entry fee, incomes from giving the lands to lease, and etc, PAs could not use such finances without permission from MENR and having non-objection from Ministry of Finance. Having such bureaucracy, in reality it is very difficult to use such finances for development and capacity building works, thus so many non-objections are needed. Another issue is that PAs as budget organizations have no possibilities to open current bank accounts, and they have only bank accounts, linked to Ministry of Finances. It means, that PAs themselves have no rights to obtain grants, loans and any other financial support directly, and could do this only through non-governmental organizations. While it will be possible to simplify the procedure of obtaining the finances from environmental funds, as well as, to open their own current bank accounts, where their own money are collecting, PAs could have more financial independence and good potential for development.

23. The low staff salaries and resources to undertake work, both a reflection of the funding shortage, act as disincentives to attracting and retaining skilled, experienced staff, which works against effective management.

Barrier 4 Lack of technical knowledge and experience in effective participatory governance, planning and management of Azerbaijan's PAs, using a landscape approach to manage existing enclaves within PAs boundaries (in the case of Hirkan), to reinforce the role of

buffer zones and to promote sustainable practices in surrounding agriculture or forestry production systems.

24. Governance and decision-making in and around key PAs needs to be more participatory and integrated, and capacity built to facilitate this. Individual PA management plans and local municipal master plans both play a key role in the planning in and around PAs but they are generally not integrated. Platforms to address conflict over land and water use and support local ownership of landscape management processes, e.g. PA management groups, are often limited, ineffective and need additional capacity and support. More generally, there is a lack of appreciation and understanding among stakeholders of the landscape and its history, ecology, culture, policies, socio-economic values, and other dynamic factors that create and shape them.

25. Out-dated management plans at individual PAs and absence of agreed management plans for surrounding areas. Across the PA network, management plans for specific PAs and surrounding buffer zones are either absent or out-of-date, and existing plans are focused on protection of single habitats following limited, non-integrative approach and/or reforestation/revegetation measures rather than on maintenance of a broad range of ecosystem services or addressing socio-economic issues. Key elements of PA management planning are often missing, e.g. monitoring and reporting, and many do not incorporate management of buffer zones. Only Gizilagaj NP is considered to have a complete management plan?. Confusingly, any business plans attached to a PA are treated as part of a site's monitoring plan not integrated at a higher level into the overall management plan.

26. Enclaves within Hirkan's national park with villages undertaking livestock management within the PAs forest is a problem and a major threat for biodiversity. The farmers living in these enclaves were there before the PA boundaries was defined. Farmers' economic conditions are very difficult and its relation with the National Parks (NP) may not be positive as they have to use the PAs resources for livelihoods. Participatory co-management plans developed by PAs authorities and the communities living in enclaves are needed.

27. Buffer zones are a particular problem.[19]¹⁹ In many cases, these are only defined on paper and their management is complex or absent, they usually have poor local community participation in decision-making and lack development or business plans for diversified sustainable livelihood approaches, e.g. for nature-based tourism. Related to this issue is a lack of adequate management planning expertise among PA staff to engage in the management planning process for their PA and associated buffer zones, or land, water and other natural resource planning processes in the wider surrounding landscapes.

28. Inadequate knowledge, baseline data, assessment and monitoring, and knowledge management systems to support effective environmental and socio-economic planning and management of PAs within the wider landscape. Management of the PS system in Azerbaijan suffers from: (i) inadequate, unreliable or out-of-date data on land cover and land use in and around PAs and their buffer zones[20]²⁰ which limits effective decision-making and management; and (ii) inadequate/insufficient identification, assessment and monitoring systems to collect information on key environmental features across landscapes with weak data harmonisation and processing facilities.

29. Lack of technical resources and capacity at key sites for biodiversity management especially monitoring and business development. The PA system generally suffers from: (i) low capacity in many PAs, including shortage of staff to undertake essential monitoring work, such as monitoring of biodiversity, carbon and socio-economic aspects of the PA system and wider landscape, lack of equipment and access to modern technologies, e.g. use of drones for site assessments and surveys, limited financing and limited infrastructure, among others; (ii) Staff with limited technical knowledge of, and experience with, successful habitat and water management practices to restore and improve target PA; and (iii) minimal current monitoring systems (and associated capacity to operate them) at PAs and adjacent buffer zones.

30. Local communities in landscape surrounding PAs lack opportunities and capacity to develop alternative livelihoods and markets are underdeveloped. There is a general lack of capacity among local farmers living around PAs to develop and market products derived from sustainable production practices that benefit biodiversity. Value chains and market opportunities for products and services from sustainable products in and around key PAs are underdeveloped and not promoted. There are substantial possibilities for expanding sustainable nature-based tourism to the country's PAs for instance, but few PAs have benefited significantly from them, e.g. Aggol and Shirvan National Parks. Similarly, opportunities for expanding existing or developing new Payment for Ecosystem Services (PES) schemes offer potential, such as charges for water provision.

31. One constraint here is that private sector farmers managing agricultural land contiguous to or within PAs lack access to site-specific data on alternative crop and livestock management regimes, have little access to relevant technology or information on potential opportunities, or access to markets for biodiversity friendly, environmentally supportive products (farmers currently face high entry costs to such existing markets).

32. There is a need for analysis and better understanding of the markets for products and services generated by the PAs and the support they provide to surrounding landscapes, and the degree to which these markets can be sustainably developed and utilized (opportunities to make business models more landscape friendly). Also of relevance here is that agricultural and forestry extension

systems in Azerbaijan lacks sufficient capacity to provide farmers utilising land in and around PAs with the needed information, technology and resources to connect to appropriate markets.

Project sites

33. Two protected areas and their surrounding landscapes have been selected to be supported by the project. These are: Hirkan National Park and Shirvan National Park, both of which are Key Biodiversity Areas (KBAs), and have been identified as Priority Conservation Areas in the 2012 Conservation Plan for the Caucasus.[21]²¹ These areas have been confirmed as priority areas for the government of Azerbaijan because they represent different ecosystems (forests, grasslands, wetlands including potential Ramsar sites), suffer different types of pressures from local communities, and provide different ecosystem services. This variation was selected so that results and experiences gained through the project can be extended to the entire PA system. Figures 3-4 in Section below presents the location of the selected PAs targeted by the project. Additionally, Gizil-Agach NP will be included in ecotourism activities need to provide rationale.

34. The population surrounding the PAs ranges from 11200 people around Shirvan National Park to 334,000 people in Hirkan National Park. The selected national parks provide services such as food and pastures, pollination, wood and non-wood forest products, fuelwood, as well as recreational services (mainly ecotourism). Table 1 below presents a summary of key ecosystem services provided by the PA, the main threats it faces and the main agricultural products produced in the surrounding landscape.[22]²² The main agricultural products grown in the target landscapes include citrus fruits, rice, wheat, barley, alfa-alfa, tea, livestock products, and sugar beet. At the same time, surrounding local communities put pressure on these areas through (illegal) wood collection, use of land and forests for pasture land (overgrazing), agriculture, and illegal hunting (poaching). Climate change and fires are also threats to the integrity of the ecosystems.

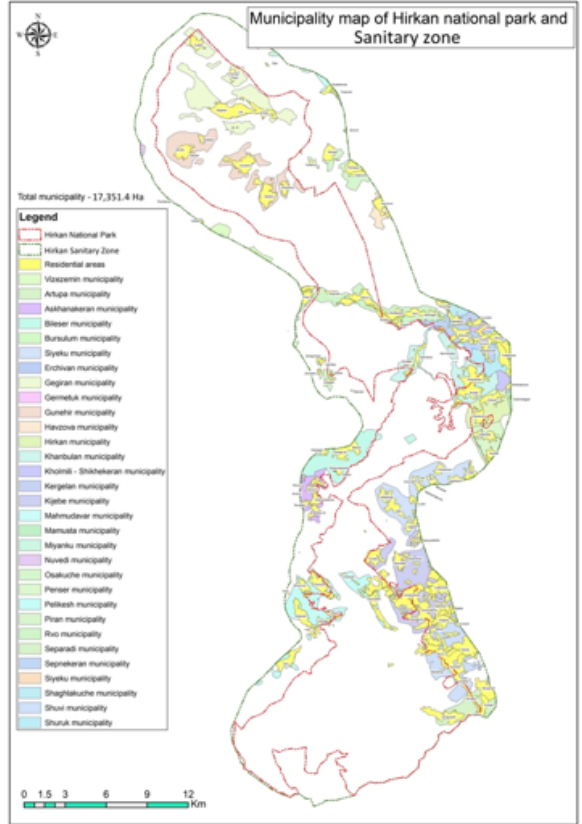
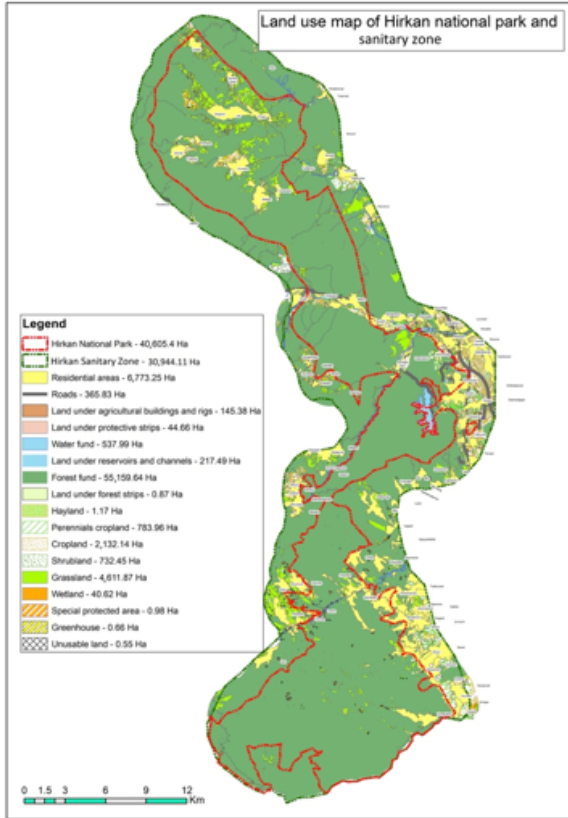


Figure 3: Hirkan National Park and Sanitary Zone: land use (left) and municipalities (right)

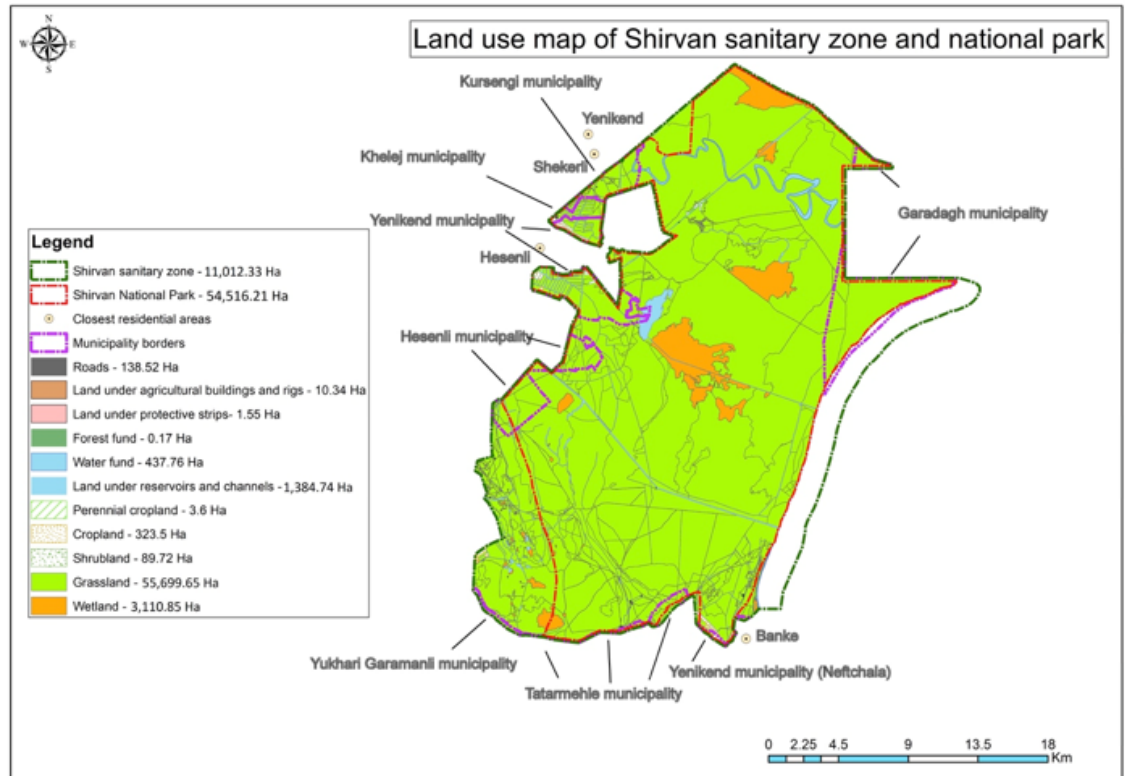


Figure 4: Shirvan National Park and Sanitary Zone: land use with municipality boundaries overlaid and residential areas (settlements) nearest to NP border indicated.

Table 2: Characterization of selected National Parks

Importance	Key Ecosystem Services Provided	Main Problems/Threats faced by the PA	Main agricultural products in surrounding landscape
Hirkan National Park ? 40,358 ha			
BD hotspot (KBA) Relict forest (Hyrcanian forest) Candidate as a UNESCO world heritage The mission of the National Park is to ensure the conservation of relict and endemic plant species of the Tertiary period, the protection of typical flora and fauna representatives of this area listed in the Red Data Book of the Republic of Azerbaijan.	<ul style="list-style-type: none"> - Food and pastures - Pollination - Non-forest products - Fuel - Recreational (ecotourism) 	Degradation from local communities: <ul style="list-style-type: none"> - Illegal wood collection - Use of forest for pasture land (overgrazing) - Agriculture - Poaching 	<ul style="list-style-type: none"> -Tea -Citrus fruits -Rice -Wheat -Barley -Alfa-alfa -Livestock products
Shirvan National Park ? 54, 375 ha			
-BD hotspot (KBA) -The National Park was created with a view to the conservation of foremost components of a semi-desert landscape, the protection of goitred gazelles <i>Gazella subgutturosa</i> listed in the ?Red Data Book? of Azerbaijan and species of fauna that are typical to this territory. Its functions also envision the implementation of environmental monitoring, public environmental education, as well as creating conditions for tourism and recreation.	<ul style="list-style-type: none"> -Food (pasture) -Fuel - Recreational (ecotourism) -Fishing 	Degradation from local communities <ul style="list-style-type: none"> - Illegal wood collection - Use of forest for pasture land (overgrazing) - Agriculture - Poaching High fire risks	<ul style="list-style-type: none"> -Wheat -Barley -Alfa-alfa -Cotton -Sugar beet -Livestock products
Notes: (1) Data on NP area from https://www.protectedplanet.net/ .			

35. **Changes in land use.** A recent analysis by MENR staff with FAO support using Collect Earth and EarthMap for the project sites (national park and buffer zones) shows that there have been significant changes both in land productivity and in land use since 2001 (see Table below, and Appendix E and F) that is in line with the drivers of biodiversity and ecosystem services loss and degradation listed above. Croplands can be found around both national parks. Even though the area under cropland has decreased (overall) between 2001 and 2017, site specific dynamics show that there are still areas being converted from forest to cropland, and that some areas of croplands are no longer being cultivated.[23]²³. On the other hand, the area of grasslands has increased in the targeted national parks. Most of this change is resulting from forest and croplands turning into grasslands. Similarly,

lands defined as "other lands"[24]²⁴ by the IPCC have increased in most parks, reflecting a loss in productivity and higher degradation. These interactions and other socioeconomic aspects will be analyzed in more detail during the project preparation process. The preliminary assessments reports can be found as stand-alone appendices to the proposed project.

Table 3: Change in Land Use in selected Protected Areas

Land use type	Hirkan Area			Shirvan Area		
	Hectares in 2001	Hectares in 2017	Percent change	Hectares in 2001	Hectares in 2017	Percent change
Forest	29,194	29,065	0%	2,932	1,955	-33%
Cropland	2,823	2,695	-5%	18,279	15,640	-14%
Otherland	1,283	1,219	-5%	22,873	25,806	13%
Grassland	3,657	3,786	4%	17,497	18,377	5%
Wetland	449	385	-14%	2,835	2,541	-10%
Settlement	2,951	3,208	9%	1,173	1,271	8%
Total	40,358	40,358		65,589	65,589	

Source: Project team calculation based on information from statistics

36. Table below summarizes trends in land productivity analysis over the last decennial. Except for Shirvan National Park, between 30 and 68% percent of the national parks are showing signs of declining productivity.[25]²⁵ Productivity in a 5-km buffer zone around the protected area has decreased between 9 and 40 percent. The proposed project will work with local communities to ensure that productivity in the buffer zones is maintained or improved, particularly in the hotspots preidentified by this analysis.

Table 4: Land productivity dynamics within the National Parks

Area of the park under:	Hirkan	Shirvan
Declining productivity	68%	1%
Early signs of decline	0	3%

Stable but stressed	15%	2%
Stable, not stressed	3%	17%
Increasing productivity	14%	77%
Water	--	--

1 B: The baseline scenario and any associated baseline projects

Table 5: Associated baseline projects: summary of their relevance and potential opportunities to collaborate and/or learn lessons

No	Project name	Donor(s) [Executing body] (Gov. agency)	Budget (US\$ million)	Start and end date <i>Geographic location of project</i>	Relevant project component(s) and outcome(s) <i>Potential collaboration opportunities or lessons</i>
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1	Upscaling of Global Forest Watch in Caucasus Region*	GEF WRI RECC [UNEP] (MENR)	3,46	2019-2022 <i>Forest lands</i>	Relevance: 1.2 Enable improved management of forests and conservation of biodiversity by providing information to support sustainable land-use management and support forest landscape restoration, planning and implementation in Azerbaijan 1.2.1 Stakeholder mapping and analysis, including identification and inventory of available forest, land use and biodiversity data in Azerbaijan. Potential collaboration/lessons: Explore opportunities for natural vegetation (e.g. forest, steppe) cover indicators to monitor NPs.
2	Supporting decision making and building capacity to support IPBES through national ecosystem assessments*	UNEP [REC Azerbaijan] (MENR)	4.64	17/12/2018 to 31/12/2022 <i>National</i>	Relevance: ii) Identify and implement policy support tools to help integrate the findings of assessments into policy making and mainstreaming into relevant sectors; iii) Identify and undertake specific country-level capacity-building activities e.g. national platforms; south-south exchange; fellowship programmes for young professionals and training; Potential collaboration/lessons: Support to decision making, contribution to biodiversity conservation, provision of data and exchange of experience and networking through national platform.
3	Management of natural resources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus*	BMZ [GIZ] (MoA with MENR)	13.1 Euro	12-2019 to 11-2021 <i>South Caucasus</i>	Relevance: Field of Intervention 1: Availability of data, Field of Intervention 2: Legal framework, Field of Intervention 3: Pilots for sustainable agricultural management, Field of Intervention 4: Information and education, Field of Intervention 5: South-Caucasus expert dialogue. Potential collaboration/lessons: Sharing knowledge and experience related to role of ecosystem services in rural development and integrated management approaches

4	Conservation and sustainable use of globally important agro-biodiversity	GEF [UNDP] (MoA)	24,86	01/06/2016 to 01/06/2021 <i>Sheki, Goranboy and Goychay regions</i>	<p>Relevance: Component 1: expands the state of knowledge of agro-biodiversity, enhances its conservation and increases the intensity and extent of use native crops in the agricultural sector of the three project rayons. Component 2: builds capacities of, and improves collaboration and cooperation between, agricultural institutions and small farmers in order to improve agricultural productivity and reduce land degradation, using native crops in project rayons.</p> <p>Potential collaboration/lessons: Explore opportunities for sharing and applying knowledge and experience gained from use of native agro-biodiversity.</p> <p>Collaboration with land users.</p>
5	AHT Group/ WWF Caucasus Programme Office - "Transboundary Joint Secretariat - Phase- III"	KfW [WWF Caucasus Programme Office] (MENR)	6.0 (for three countries)	01/06/2015 to 01/06/2020 <i>Georgia, Armenia, Azerbaijan</i>	<p>Relevance: Output 2: Appropriate socio-economic development approaches Output 3: Eco-tourism development and promotion Output 4: ECP updating Output 5: Special Operational Fund (SOF)</p> <p>Potential collaboration/lessons: Development of ecotourism development in PAs</p> <p>Biodiversity monitoring support to NPs</p> <p>Information booklets and NP book</p>

6	Promotion of Eco-Corridors in the Southern Caucasus	BMZ via KfW Development Bank [WWF Caucasus Programme (MENR)]	8.0 (for three countries)	01/01/2015 to 01/06/2020 <i>Georgia, Armenia, Azerbaijan</i>	<p>Relevance: Programme supports restoration of ecological connectivity between PAs by promoting sustainable land use in selected corridors through contractual nature conservation that is resourced by an Ecoregional Corridor Fund (ECF). Objective is to contribute to the conservation and sustainable use of biological diversity without reducing income of local rural population. It is achieved through long-term Conservation Agreements made with land managers in accordance with specific land use plans for natural resources (e.g. forests, pastures, wildlife or more general conservation or urban plans) developed with the participation of the beneficiaries. Output 1: ECF established as an instrument to promote sustainable land use practices in ecological corridors. Output 2: Using ECF funds, long-term land use plans developed with participation of the beneficiaries; plans designed to support ecologically sound use of natural resources.</p> <p>Potential collaboration/lessons: Identify and apply relevant experience and lessons learnt from Conservation Agreements and land use plans to communities enclosed within Hirkan NP.</p>
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7	Forest Resources Assessment and Monitoring to Strengthen Forest Knowledge Framework in Azerbaijan	GEF [FAO] (Forestry Dept, MENR)	8.78	01/04/2017 to 31/03/2019 <i>Agdas and Qax</i>	<p>Relevance: Component 1 - Forest Resource Information Management System (especially Outcome 1.1). Component 2 - Multifunctional forest management (especially Outcomes 2.1, 2.2, 2.3?). Component 3 - M&E and knowledge sharing (especially Outcome 3.2).</p> <p>Potential collaboraton/lessons: Development of Knowledge Management System (uses Collect Earth) and development of National Forest Assessment and Monitoring System which may offer lessons for PA information management (Component 1).</p> <p>Management planning for multifunctional forest use may offer lessons and opportunities to integrate with PA management planning (Outcome 2.1).</p> <p>Income generating activities for small farm holders which includes rehabilitating pastureland to reduce grazing pressure (Outcome 2.2).</p> <p>Agroforestry and restoration activities offer opportunities for enhancing carbon stocks (Outcomes 2.3).</p> <p>Experiences from development of Communication Strategy and raising awareness about role of forests in providing ecosystem services may offer lessons and possible cost-sharing with PA project's activities (Outcomes 3.2).</p> <p>Joint training in management planning</p>
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8	Integrated Biodiversity Management, South Caucasus	BMZ and Austrian Development Cooperation [GIZ] (MENR with MEd and (MoA)	14.9	2015-2019 <i>Ismayilli district</i>	<p>Relevance: Field of Intervention A: Coordination processes demonstrating a successful sectoral and vertical integration of the management of biodiversity and ecosystem services introduced at local level. Field of Intervention B: Improved capacity of national institutions (line ministries, their relevant departments and subordinate agencies, training and qualification institutions) to manage biodiversity and support ecosystem services. Field of Intervention C: Improved understanding of public, media and political stakeholders regarding the significance of biodiversity and ecosystem services. Field of Intervention D: Improved regional exchange on sustainable management of biodiversity and ecosystem.</p> <p>Potential lessons: Integrated multi-sector coordination</p> <p>Awareness raising and outreach</p>
9	Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan)	GEF [UNDP] (MENR)	7.78	2014-2019 <i>Gizilagaj NP</i>	<p>Relevance: Component 1: focused on improving management capacity of Gizil-Agach to address the external threats and pressures on the conservation values of the PA complex, including building/ agricultural encroachments; livestock grazing/browsing; illegal bird hunting; inflows of pollutants; and illegal fishing activities. Component 2: focused on creating enabling conditions to increase, diversify and stabilise financial flows to all coastal and marine PAs.</p> <p>Potential collaboration/lessons: Review and apply as appropriate lessons learned and documented in Terminal Evaluation.</p> <p>Support further development of ecotourism as part of a promotion of ecotourism in Azerbaijan's southern NPs.</p>

10	Sustainable land and forest management in the Greater Caucasus landscape	GEF [UNDP] (MENR)	18.53	2013-2018 <i>Ismayilli and Shamakhi rayons</i>	<p>Relevance: Outcome 1: Enabling policy and institutional environment for integrating SLM and SFM principles within state programs, rayon level land use and forest management frameworks.</p> <p>Output 1.3: Stakeholders at national and local level have improved access to knowledge and data, strengthened social networks and new social capital to support more sustainable management of pastureland and forest resources of the Greater Caucasus</p> <p>Output 2.3: Improved SLM and SFM compatible land use in pilot communities.</p> <p>Potential lessons: Review and apply as appropriate lessons learned and documented in Terminal Evaluation.</p>
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*Potential for co-financing

Management of specially protected natural areas

37. Currently, the Service for the Protection of Biological Diversity (SPBD) under Ministry of Ecology and Natural Resources - MENR) is responsible for the management of the PA system in Azerbaijan. Operation of SPNAs[26]²⁶ and facilities is regulated by the Laws of the Azerbaijan Republic on the "Protection of the Environment" and on the "Specially Protected Natural Areas and Facilities". While the MENR bears the overall responsibility of the operation of the SPNA, different entities[27]²⁷ are also involved in their operation. The number of staff involved in the management of protected areas varies by location and depends on the specific geographical location and complexity of protection needed for the area.

38. The SPBD is responsible for the direct coordination and leadership of management of protected areas and currently has a staff of 36. Its Coordination Center has a staff of 12 and provides logistic support. Staff units for each protected area are determined at the beginning of each year, on the basis of staff number, structure, salary funds, and defined according to staff schedules agreed with Ministry of Finance and confirmed by the Ministry of Ecology and Natural Resources. A recent analysis of SPNAs showed that the budget allocated to them is insufficient for their effective management, leads to poor provision of machinery and equipment, lack of knowledge and skills of staff, and inefficient use of ecotourism potential.[28]²⁸

39. Although the number of staff involved to Specially Protected Natural Areas is adequate, their knowledge and management skills are not satisfactory. According to a recent analysis[29]²⁹, employees of Gizilagaj NP and Samur-Yalama NP have been involved in trainings in the past three years. One to two employees from each protected area are involved in courses organized on several topics every second year provided by the Qualification Improvement Institute of Ministry. The project will build on these efforts.

40. Regarding PA management, the two pilot areas have not carried out an assessment of its management effectiveness in recent years.[30]³⁰,[31]³¹ The proposed project will support activities to analyze management effectiveness and to develop and implement a strategy to improve governance and management of the target areas.

41. Funds in all the SPNAs are centrally managed. An analysis of resources and management mechanisms of the SPNAs it was determined that only very small amounts are allocated from state and special funds. Two SPNAs (Gizilagaj NP and Samur-Yalama NP) had significant investments from external donors, and additional two (Shirvan NP and Shahdagh NP) received small investments. Such investments were mainly allocated by international organizations (GEF, UNDP, CNF[32]³², WWF and KFW). Meanwhile, the assessment revealed that current funding only meets the minimum management needs of the SPNAs.

42. On July 2005, the Cabinet of Ministers approved the *Rules for establishment and use of Special Funds and Resources of the Relevant Offices established for the Management and Protection of Specially Protected Natural Areas*.[33]³³ These rules aim to improve the organization, management, protection, conservation, development and rehabilitation of the SPNAs as well as financing of other related measures in these natural areas. The Special Fund is sourced from fines collected for violations of legislation and regulations on specially protected natural areas and sites, from payments for the use of natural resources at these PAs, from the sale of confiscated goods, from voluntary donations from state, non-governmental, and legal entities, as well as from individuals and other sources. Appendix 4 shows the financial analysis for the SPNA system.

43. Finally, regarding integrated land use planning and as discussed in the barriers section, the different government institutions do not carry out integrated planning in a meaningful way.

1 C: Proposed alternative scenario, Theory of Change and a brief description of expected outcomes and components

Alternative scenario using a landscape approach

44. In order to address the aforementioned threats to Azerbaijan's biodiversity and underlying barriers to the protection of species and functioning of ecosystems that provide goods and services, the project will apply a landscape approach in order to address the underlying root causes of biodiversity loss, degradation and pollution in an integrated, holistic and multi-sectoral manner that brings together the relevant stakeholders at a landscape scale.[34]³⁴ Thus, Azerbaijan's PAs system will be planned and managed within the context (reality) of surrounding production systems, rather than in isolation of them. The landscape approach also provides an opportunity to address more complex scenarios where, for example, communities physically reside inside PAs but within bounded enclaves comprising settlements, cultivations and pastures that are legally excluded from being within the PA. Such an approach is referred to as integrated landscape management (ILM), whereby production systems and natural resources are sustainably managed in an area large enough to provide vital ecosystem services and small enough to be managed by the people using the land. Further details and guidance on the approach are provided in **Annex 2** for the benefit of those executing this project.

Project aims and objective

45. The project aims to strengthen the governance, planning and sustainable management of land, water and other natural resources over the wider landscapes in which PAs are embedded in Azerbaijan to benefit stakeholders and improve environments both within PAs and in their surrounding areas (Component 1).[35]³⁵ It seeks to improve the management effectiveness, financial viability and profile of Azerbaijan's PAs system using innovative strategies and tools (Component 2), which will be demonstrated in the target PAs (Hirkan and Shirvan NPs) and their surrounding areas using a landscape approach (Component 3).[36]³⁶ Building capacity among the relevant stakeholders, including communities, to effectively manage PAs and their surrounding landscapes, monitor their status and provide an information platform from which the project's results, experience, best practices and lessons learned will be scaled up and applied across Azerbaijan's PAs system is planned under Component 4.

Theory of Change

46. Intervention pathways for the four strategies (Project Components) that will realize the Project's Objective are illustrated below in the Theory of Change model (**Figure 5**); and the accompanying legend for the assumptions indicated alongside the pathways in the diagram is provided in **Table 6**. Key elements of the model are as follows:

- ? While Azerbaijan's existing PAs system provides legal protection for much of the country's key biodiversity, the distribution of financial and technical resources is inadequate
-

to effectively manage the system itself, This problem is exacerbated by mounting pressures from within the system (e.g. communities enclosed within some PAs subsisting on meagre resources) and from surrounding settlements and production systems that are managed unsustainably in ways that erode the integrity of the system.

- ? Significant investment is required to strengthen, maintain and expand the existing PAs system but this is only likely to be supported through much greater awareness among the public and, especially, decision-makers in government about the values of the biodiversity conserved in PAs and their ecosystem goods and services that support human life and livelihoods. Hence, the need for a Socio-economic Valuation of these goods and services (Output 1.1.2) to inform the Sustainable Financing Strategy & Action Plan (Output 2.1.2), which will be framed within a 10-year institutional vision for the Service for the Protection of Biodiversity under MENR (SPBD) and its PAs System.
- ? The Socio-economic Valuation will also inform the preparation of a national Integrated Landscape Management Strategy (Output 1.1.1), which will deliver the enabling environment via its Action Plan to address policy and regulatory reforms necessary to apply the cross-sectoral landscape approach.
- ? The findings and strategies generated from Outputs 1.1.1 (ILMSAP), 1.1.2 (Ecosystems Services Valuation) and 2.1.2 (Financing Strategy and Action Plan) will inform the Communication Strategy (Output 1.1.3) and its Action Plan (ILM-CSAP). The ILM-CSAP will help raise public awareness and ownership among stakeholders of the landscape approach and the need to invest significantly in conserving and expanding the PAs system alongside sustainably managing adjoining production systems.
- ? Underpinning these above-mentioned activities is the development of a monitoring and information system for the PAs System (Output 2.1.2) to enable the SPBD to be well informed about the status of nature within its mandate, as well as the effectiveness of its custodianship. The platform will also contribute to raising the profile of PAs and provide SPBD with a means of accountability to citizens for safeguarding biodiversity in response to securing a much larger funding base.
- ? Concomitant with the above measures, management plans will be designed for the two target PAs (Hirkan and Shirvan NPs) in a participatory manner with representatives from all stakeholder groups and delivered by mid-term (Output 2.1.3). The sites present very different scenarios as previously described³⁴, requiring different landscape approaches:
 - In Hirkan NP, emphasis will be to demonstrate more sustainable livelihoods for women and men in communities enclosed inside the NP, based on the landscape approach with respect to sustainable land management and exploring alternate/additional forms of income generation. It is envisaged that Participatory Management Plans will be developed for enclaves either at Community or Municipality levels. These will need to be aligned with the NP management plan and potentially framed within an ILMSAP that embraces the NP, enclaves, Sanitary Zone and surrounding production systems.
 - In Shirvan, there are some Municipality lands around the north-western and southern periphery but no such enclaves inside the NP. Residential areas are all outside the Sanitary Zone. There are important opportunities to work with the communities in

applying a landscape approach to these municipal lands to resolve livestock grazing and crop cultivation issues; at the same time, the quality of the untreated waste water that is channelled to Lake Chala and surrounding wetlands is a potential issue for waterfowl and the health of this ecosystem and adjacent Caspian Sea requiring an ILM approach.

- Alternative livelihood opportunities and markets identified in the PA participatory management plans and complimentary Community/Municipality Enclave Plans will be realised during the second half of the project (Output 3.1.2). This will include support for the further development of ecotourism, which will be extended to the nearby Gizil-Agach NP.³⁵
- ? Strengthening of PAs management capacity and development of ILM will be supported by a Training Programme (Output 4.1.2), institutionalised by project closure to ensure that that it can continue to support the better management of SPBD's related responsibilities.
- ? These interventions will result in a strengthened enabling environment (Outcome 1.1); institutional and financial capacity improved across relevant sectors to effectively manage and monitor PAs within an ILM (Outcomes 2.1 and 4.1); threats to biodiversity reduced and ecosystem goods and services restored and enhanced in target demonstration sites (Outcome 3.1); and thereby realizing the Project Objective to strengthen Azerbaijan's PA system through the adoption of a landscape approach to governance and management, all of which will deliver a range of GEBs.

47. Thus, the proposed project targets the support and maintenance of biodiversity and ecosystem goods and services associated with the PAs network in Azerbaijan through interventions both within and outside this network. Its focus on changing production practices to be less degrading and more biodiversity friendly, particularly in the agriculture, forestry, waste water and tourism sectors, including piloting 'best practices' in the buffer (sanitary) zones of representative PAs, is underpinned by an integrated landscape approach to governance and management. Project Components (i.e. GEF Project Alternative), designed to remove the barriers to achieving the long-term solution, are described below, together with details of their respective Outputs and indicative Activities.

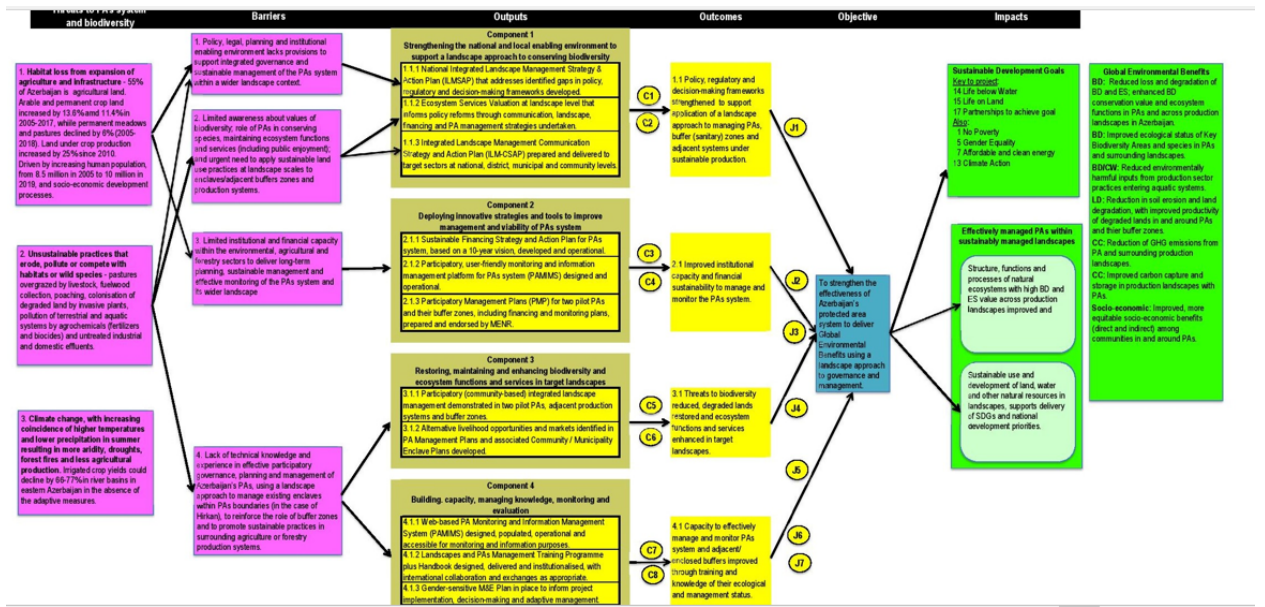


Figure 5: Theory of Change, showing barriers, components (i.e. GEF alternative strategies) and respective outputs to address them, and outcomes resulting in achievement of project objective, subject to a set of assumptions that logically connect the different levels of intervention. Longer term, post-project impacts are also shown.

Table 6: Legend of assumptions underpinning the Theory of Change conceptualised in Figure 5

Key Assumptions	
C1	Political support forthcoming from the highest levels of government within key sectors, including ministries of Ecology and Natural Resources (Service on Protection of Biological Diversity, Environmental Monitoring, Environmental Protection and Forest Development departments), Agriculture, Defence and Energy, and commitment to cooperate cross-sectorally in order to deliver the landscape approach.
C2	Communications Strategy is effective in delivering key messages to multiple sectors about the values of the natural capital (resource base), benefits of the landscape approach and importance of sustainable financing to secure and enhance the integrity of the PAs system, its buffer zones and adjoining production systems..
C3	Development of Sustainable Financing Strategy and, to a lesser extent, PAMIMS need to be informed by a 10-year vision for the Department of Biodiversity Conservation and Development of Specially Protected Natural Areas, which will require a facilitated participatory process within the Department as well engagement with other stakeholders within the Ministry and more widely. This will be key to securing internal and external support for the Financing Strategy.
C4	Sanitary/buffer Zones for the two target PAs will have been legislated (regulations) by MENR in 2020 to ensure that participatory management planning processes are not delayed once the project is underway in 2021. Existing core, tourism and other zones will be reviewed as part of these processes, while noting that the extension to Hirkan NP has never been zoned and this will be addressed.
C5	Government stakeholders from different sectors willing to cooperate and, where necessary, compromise in order to resolve conflicts of interest and enable the landscape approach to be flexibly and effectively applied to a range of scenarios that include: inhabited enclaves within PAs (applies particularly to Hirkan NP), sanitary zones and agricultural and forest production systems. Synergies and conflicts of interest will be addressed through management agreements between relevant parties (partners including local communities) and based on principles of sustainable, integrated land management.
C6	In the case of Hirkan, specific enclave plans will be developed at community or municipality levels in concert with the PA management plan, the two elements comprising a Participatory Management Plan (PMP) for the national park, its enclaves and its surrounding buffer (sanitary) zones. Ideally, the PMP will also be aligned with plans for adjacent/surrounding agricultural and forest production systems.
C7	Sufficient publicity and incentives (ease of access, quality and relevance of training, adequacy of facilities, tangible benefits) in place for stakeholders to commit to training and capacity development opportunities.
C8	Effective monitoring informs PA planning and management cycle.
J1	Necessary policies and regulations in place by project closure to enable mainstreaming of landscape approach across PAs system to be realised post project..
J2	Innovative strategies and tools I.e. PAMIMS, Sustainable Financing Strategy and two PA participatory management plans) will have been delivered by mid-term to provide adequate time and resources to support their implementation during second half of project, thereby ensuring they are 'fit for purpose' and providing adequate opportunity for adaptive measures to be taken as necessary.
J3	New precedures in place within MENR, whereby PA participatory management plans are endorsed and therefore must be implemented. (Currently, this is not the case and management plans developed by projects, including former GEF-financed projects, are prepared but not implemented. Instead annual work plans are prepared and implemented that may bear little relationship to management plan.)
J4	Benefits of the landscape approach appreciated at Municipality and Rural Administrative Authority levels to the extent that, with resources from their respective districts, they will support its mainstreaming prior to project closure.

J5	PAMIMS will be hosted by DBP within MENR and populated across the PAs system as part of government's co-financing contribution to the project.
J6	Development and adoption of best practices, combined with lessons learned from experience, delivers project objective.
J7	Modular training programme on Landscapes and PAs Management institutionalised in order to be sustained beyond life of projec, based on a collaborative agreement between Government (MENR) and an educational or other appropriate institution.

Component 1: Strengthening the national and local enabling environment to support a landscape approach to conserving biodiversity

48. Component 1 is designed to strengthen the enabling environment for a landscape approach through more effective and integrated governance, planning and management of land and water to conserve biodiversity in PAs and sustainably use natural resources in their buffers (sanitary zones). It will mainstream biodiversity conservation across agricultural, forestry and other production sector policy, planning, governance and management processes that affect PAs and the landscapes in which they are embedded.

Outcome 1.1: Policy, regulatory and decision-making frameworks strengthened to support application of a landscape approach to managing PAs, buffer (sanitary) zones and adjacent systems under sustainable production

49. This outcome is a framework of policy and legal interventions necessary to strengthen natural resources management using an integrated landscape approach that, by definition, is multi-sectoral, sustainable and applicable at ecosystem/catchment scales. The framework will be informed by the planning processes piloted in the project's target landscapes (PAs and their buffers and adjacent production systems); mainstreaming activities will be conducted following an analysis of key decision-making processes affecting the management of PAs and the governance of surrounding communities to be tackled. This will be included in the communication strategy and capacity building and partnerships will be made with key decision-makers. Each output is elaborated below with indicative activities.

Output 1.1.1. National Integrated Landscape Management Strategy and Action Plan (ILMSAP) that addresses identified gaps in policy, regulatory and decision-making frameworks developed

50. This output is concerned with the development of a Integrated Landscape Management Strategy for formal cooperation among relevant institutions based on the analysis of stakeholders, application of tools to understand multifunctionality of landscape (FAO Toolboxes)[37]³⁷, and an analysis of existing planning and decision-making processes in order to pave the way for integrated

planning under a landscape approach. It will also be informed by lessons learned and experience gained from piloting integrated participatory, multi-sector landscape planning and management in the target landscapes. In the immediate, term efforts will focus on aligning incentives and planning systems within inhabited enclaves inside PAs and their peripheral buffer (sanitary) zones. Opportunities to include adjacent production systems will be considered an important second priority, given the relatively short timeframe of the project and limited funding.

51. Integrated Landscape Management strategy shall identify gaps and address specific reforms and incorporations in policies, regulations, financing and incentive mechanisms, land use planning processes and other decision-making and institutional frameworks at national, regional (district), municipal and community levels in order to enhance the implementation of a landscape approach in PAs and buffer (sanitary) zones. Concrete recommendations for policy reforms to improve landscape management and reconcile competing uses should be made through multi-sector, participatory planning processes with the communities and other stakeholders involved to be facilitated by the project. Mainstreaming activities shall be conducted in order to integrate ILM approaches and activities in key decision-making processes. At ground level, the ILM strategy shall envisage and plan strategic activities for sustainable agriculture, grazing, fisheries, forestry and water management as well as the promotion of integrated solutions at scale (e.g. restoration). Financial and incentive mechanisms to support the ILM strategy will be identified/strengthened or recommended to be created to enhance further resources mobilization, including private sector investments.

52. Mainstreaming activities to integrate ILM, methodologies and best practices in relevant sectors and decision-making processes will be conducted, including partnerships and activities to be jointly envisaged in the action plan with other institutions. Output 1.1.2 (Ecosystem services valuation) and output 1.1.3, (Communication strategy) will be used to support this mainstreaming process envisaged to be developed within the ILM strategy.

53. Development of the Strategy and oversight of the implementation of the Action Plan will be the responsibility of a Task Force (ILMTF) of 6-10 members, representative of agriculture, biodiversity, fishery, forestry and water sectors (terrestrial, freshwater, marine) and chaired by an independent expert, who will report to the PSC. The ILM Strategy should be outlined in Year 1, drafted by mid-term along with an Action Plan and finalised in Year 4, having been informed by landscape approaches piloted in Hirkan and Shirvan. Informing will be undertaken by two representatives (Chair or Vice Chair and one other Stakeholder Forum member ? gender balanced) from each target site.

54. Mainstreaming the landscape approach is envisaged from Year 5 onwards, assuming that relevant policies and legislation are in place by then. Potentially, the Task Force could be institutionalised post-project within MENR, or other appropriate body, as an Integrated Landscape Management Advisory Panel and oversee the mainstreaming of ILM.

55. ILMTF will be serviced by the Project Management Unit (PMU) and it is anticipated that national and international experts in SLM will be hired for much of the project's duration on an intermittent basis to: carry out tasks 1.1.1b-d, which will feed into the ILMSAP; and be responsible for drafting and finalising ILMSAP. The experts will report to the Task Force; and they will also support (advisory) the application of the landscape approach across the target landscapes, ensuring that lessons learned and necessary actions are incorporated within the ILMSAP.

56. Note that the current National Biodiversity Strategy and Action Plan expires in 2020, providing a timely opportunity for elements of the ILMSAP to be incorporated into the new NBSAP.

Indicative activities under Output 1.1.1:

1.1.1a Establish a multi-sector national Integrated Landscape Management Task Force (ILMTF) to oversee development of the National Landscape Strategy & Action Plan, supported by PMU.

1.1.1b Identify gaps in policy, regulatory, decision-making and institutional frameworks at national, regional (district), municipal and community levels to enhance the application of the landscape approach to PAs and adjacent production systems; and formulate concrete recommendations for policy reforms to improve integrated landscape management through multi-sector, participatory planning processes.

1.1.1c Identify/strengthen/develop framework(s) and dialogue process(es) for harmonising different planning and regulatory regimes operating across landscapes to reconcile competing uses (e.g. agriculture ? cultivation and/or grazing, biodiversity conservation, fisheries, forestry, IWRM) and tenure issues through trade-offs, synergies (e.g. between private and public sectors) and promotion of integrated solutions at scale (e.g. restoration).

1.1.1d Identify/strengthen/develop financial and incentive mechanisms to support sustainable production in landscapes with PAs, including private sector investments.

Output 1.1.2. Socio-economic Valuation of Ecosystem Goods and Services of PAs system that informs policy reforms through communication, landscape, financing and PA management strategies undertaken

57. This socio-economic valuation includes buffer zones and production systems associated with the target sites (Hirkan and Shirvan NPs). It is intended to provide key economic and social data that will inform a 10-year vision for Azerbaijan's PAs system, its management and government's level of funding from the national budget (i.e. Output 2.1.1). It should also take into account the costs and benefits of an integrated landscape management approach to biodiversity conservation with respect to buffers, such as sanitary zones, inhabited enclaves integral and peripheral to PAs, and adjacent production systems.

58. More detailed valuation of the financial/economic and social contribution generated from ecosystem goods and services (e.g. agriculture, water supply, tourism) will be undertaken for each target PA, as evidence and justification for government to finance core operational costs to maintain the PAs system and for other sectors investing in the sustainable management of the wider landscape to

meet other development targets (e.g. clean water and energy, food security, waste management etc. The valuation of ecosystem goods and services will be also used to design new innovative financing and incentive mechanisms enhancing conservation, sustainable land management and restoration.

Indicative activities under Output 1.1.2:

1.1.2a Scope a Socio-economic Valuation of Ecosystem Goods and Services of PAs system and, depending on ready accessibility to available information, include all NPs as a minimum with the following provisions:

- More detailed assessments of the two target NPs, including their respective peripheral buffer (sanitation) zones and, in the case of Hirkan, the many inhabited enclaves inside the NP. Also assess existing and potential markets for goods and services.
- A series of workshops with stakeholders to identify: PAs and other relevant sectors having vested interests in landscapes (agriculture, forestry, water etc.); and sources and availability of relevant information.
- Final workshop to solicit feedback on draft scope before finalization.

1.1.2b Undertake socio-economic Valuation, consult with stakeholders on findings and finalise.

Output 1.1.3 Integrated Landscape Management Communication Strategy and Action Plan prepared and delivered to target sectors at national, district, municipal and community levels

59. The Communications Strategy will be pivotal in raising awareness across all sectors of government, civil society and rural communities about the importance of an integrated approach to managing landscapes in which there are key biodiversity areas to protect and other valuable areas under production for food, energy and water systems to manage sustainably in order to: secure political support for introducing ILM enabling policy and legislation; and leverage adequate investments for their maintenance, restoration and enhancement. The communication strategy will be a key component for mainstreaming ILM approaches and enhancing key policy, institutional and finance-related reforms.

60. Under Output 1.1.3, project approaches and results will be shared, and efforts will be centered to replicate tested methodologies in other municipalities and regions across the country. The KM system will contribute to scale-up and replicate using various types of knowledge products produced including thematic case studies, evaluation and learning reports and briefs; strategic papers, educational and informational materials in printed and digital forms for information and knowledge-sharing with other regions and dissemination and replication of verified data and tested methodologies.

61. The design of the Strategy will be informed by the results of a Knowledge, Attitude and Practice (KAP) survey undertaken at the start of the project, enabling it to be aimed at integrating biodiversity conservation and production management across key land use decision-making processes (e.g. sector planning, land use planning, community development plans) at landscape scales. The project's subsequent effectiveness will be monitored by repeating such surveys at mid-term and end of project. The surveys themselves will also raise the profile of the project and its landscape approach.

KAP methodology will track gender, age-group and social back-ground of survey participants, many of whom will be stakeholders and potential project beneficiaries.

Indicative activities under Output 1.1.3:

1.1.3a Undertake a knowledge, attitudes and practices (KAP) survey during project inception to benchmark levels of awareness about integrated landscape management (ILM), within the context of landscapes comprising PAs, buffers and production systems, among a cross-section of government officials from relevant sectors and citizens across the six districts that embrace Hirkan and Shirvan NPs (target sites). Repeat KAP surveys at mid-term and end of project. Use the KAP survey questionnaires throughout Project implementation, as opportunities arise (e.g. meetings of different stakeholder groups, such as Stakeholder Forums, training modules etc), to collect additional information to inform Project communication and capacity building activities. The KAP survey will be used to obtain baseline data for the next phase of the gender assessment for incorporation into the final Results Framework and Monitoring and Evaluation Plan.

1.1.3b Draft an Integrated Landscape Management Communications Strategy and Action Plan, informed by baseline KAP results, and consult on draft material and overarching national ILM and PA messages and specific calls-to-action with relevant stakeholders. Pilot draft messages and strategies with target audiences to confirm their effectiveness prior to finalization of approaches, and modify as required based on results. All Project events, processes and stakeholder groups to be built into the Strategy and Action Plan.

1.1.3c Implement District/Municipal outreach and awareness campaigns to achieve national goals. Ensure gender and marginalised group considerations are included in all stakeholder engagement, messaging and campaign implementation plans.

1.1.3d Develop outreach materials for communicating and engaging with stakeholders in the target sites, notably municipalities and communities, including educational activities at local schools.

1.1.3e Update the Communications Strategy and Action Plan annually and review at mid-term, making changes as appropriate.

1.1.3f Communicate using appropriate media, including PAMIMS to raise the profile of the PAs system and a 3-monthly Newsletter to highlight the landscape approach to keep stakeholders abreast of progress and, importantly, how they can engage in planning, training and implementation, taking into account gender differences.

Component 2: Deploying innovative strategies and tools to improve management and viability of PAs system

62. Component 2 focuses on developing innovative strategies and tools necessary to improve the operation of the PAs system, specifically: a strategy to secure adequate and predictable finance for the PAs system and its expansion over the long-term (10 years or more); a national Monitoring and Information Management System for PAs (PAMIMS); and participatory management planning in the target PAs in consultation with local government and communities, while taking into account wider land management interests (e.g. production systems) that can be resolved by engaging stakeholders from other sectors in a consensus-building process to agree on a common, holistic vision for the surrounding landscape. Realization of the vision through implementation of individual PA the management plans using a landscape approach will be demonstrated under Component 3.

Outcome 2.1: Improved institutional capacity and financial sustainability to manage and monitor the PAs system

63. This outcome is based on having a clear vision for the development of Azerbaijan's PAs system over the next 10 years (or more) in terms of its expansion from approximately 10% to 17% of terrestrial and inland water area (86,600 km²) and 10% of coastal and marine areas[38]³⁸; and having the institutional capacity to monitor and effectively manage such a system within a multisectoral, integrated landscape context. Once this vision is framed and elaborated, it can then be costed to provide a basis for the development of a Sustainable Financing Strategy. The socio-economic valuation of the PAs system (Output 1.1.2) will also inform this vision, as well as raise the profile of PAs as national assets in which to invest for the future. Concomitant with developing financial and institutional capacity to safeguard the PAs system and manage surrounding landscapes sustainably, it is necessary to provide an information platform for monitoring the status of protected ecosystems and species and the effectiveness of their management, alongside demonstrating best practice in managing PAs within a landscape context. Each output is elaborated below with indicative activities.

Output 2.1.1 Sustainable Financing Strategy and Action Plan for PAs system, based on a 10-year vision, developed and operational

64. The current financing of the PAs system has been reviewed and documented during the PPG to provide baseline information for the Financing Strategy (**Additional Annex 3**). Financing procedures are elaborated, weaknesses are identified and shortfalls in resources highlighted. Also included are the annual allocations from the State budget and special funds from other sources over the last 5 years, with more specific details of annual expenditures over the same time period for the target PAs (Hirkan and Shirvan).

65. The Financing Strategy will consider multiple sources of revenue-generating mechanisms and tools such as economic valuation of PA goods and services, potential payment for ecosystem services (PES) schemes, access and benefit sharing agreements, sharing of tax revenues, conservation trust funds, international sources and opportunities for leveraging private sector investment through site-specific or PA system-wide opportunities (e.g. nature-based tourism, advertising opportunities/rights in exchange for equipping rangers with outdoor clothing), private philanthropists and grants/loans to support entrepreneurs initiate income-generating initiatives.

66. Revenue generation will be considered at the national institutional level, as a priority, to secure core funding for the PAs system. This will be complemented with a review and guidance on securing additional funding at individual PA level, with support provided to the target PAs in their business planning using templates for inclusion in the management plan and in piloting a number of income-generating initiatives. PA specific financing opportunities might include:

- ? Attracting funds or contributions in kind from the private sector in the case of those having vested interests in a PA, such as oil/gas corporations in Shirvan NP, and private philanthropists.
-

- ? Generating funds through local government and sharing revenues from service fees and local environmental taxes,
- ? Introducing market-based mechanisms (tourism fees, sale of local products) and from new markets (e.g. carbon finance, PES), supported by necessary changes or enhancements in policy and market conditions. In the case of tourism, for example, there is definite interest from the State Tourism Agency and its Board to market and invest in hiking routes, for example, in the three national parks in southern Azerbaijan (Hirkan, Gizilgaj and Shirvan). There is also an ecotourism enterprise operating in Shirvan in partnership with West Caspian University that is keen to engage with the project.

Indicative activities under Output 2.1.1:

- 2.1.1a Outline a 10-year vision for Azerbaijan's PAs system through a series of consultation workshops with key stakeholders from the natural resources and related sectors. Vision to be informed by the results of the Socio-economic Valuation of Ecosystems Goods and Services of PAs System in Component 1.
- 2.1.1b Develop by project mid-term a Sustainable Financing Strategy and Action Plan (SFSAP) to realize this vision over a 10-year timeframe based on: government's historical, current and future anticipated financing of PAs; consultations with PA managers and related sectors (e.g. agriculture, forestry, rural development, tourism, water resources); and potential synergies with the criteria and strategies of international donors. The Action Plan should include a framework or template that enables individual PAs to develop their own financial/business plans in support of their respective management plans and opportunities for partnerships with other sector to address wider landscape considerations.
- 2.1.1c Provide guidelines on the application of this financing framework to individual PA management plans; and support its piloting during the management planning of target PAs by mid-term.
- 2.1.1d Operationalize the Action Plan post project mid-term, having incorporated lessons learned from the pilot PA financing plans. Support mainstreaming of the financing plans in other PAs.

Output 2.1.2 Participatory, user-friendly monitoring and information management platform for PAs system (PAMIMS) designed and operational.

67. PAMIMS is a national-level assessment and monitoring web-based tool for PAs and their buffer zones, enabling changes in land use, socio-economic situation, biodiversity (particularly Red List species) and ecosystem goods and services to be tracked and provide critical information for effective planning and management at PA and to some extent landscape level. It will also enable emerging threats to PAs (e.g. Invasive Alien Species, climate change) to be detected and the overall status and health of Azerbaijan's PA system to be assessed, feeding back into national policies and strategies such as NBSAP and Azerbaijan's reporting on its commitments to international conventions such as CBD and FCCC. It should also be a repository for key information, such as PA management plans, guidelines and training manuals, readily accessible to PA staff and other stakeholders having vested interests in sustainably managing landscapes within which are located PAs and other KBAs not as yet safeguarded for conservation purposes.

68. The development of PAMIMS comprises two elements: the first being to design the monitoring system for PAs and their surrounding landscapes; and the second being to design the tool that will hold the monitoring data, as well as providing an accessible on-line repository for other

information and knowledge of relevance to the PAs system. Thus, the overall scope of the MIMS will need thorough consultation with respect to both the design of the monitoring system and the information management system not only within DBP, its primary stakeholder, but also other departments within MENR and also the Ministry of Agriculture, other relevant government agencies and institutions and national conservation NGOs. More detailed consultation with relevant stakeholders will be necessary during the design of the monitoring system (survey methods and choice of metrics and indicators to measure key PA and landscape features (biophysical, socio-economic, etc). The scoping should also identify other information platforms that can be shared by third parties to enhance the value of PAMIMS (e.g. KBAs); and conversely explore opportunities to share PAs and associated landscape data with other platforms as part of mainstreaming biodiversity conservation and ILM. Levels of access to the system will also need to be determined. Once designed and operational, training in monitoring, use of MIMS and its population with data and information will be implemented under Component 4.

69. **Further design considerations:** MIMS will be hosted by MENR and designed to cover all types of PA. Different levels of access will be determined, the emphasis being to maximise access by the public for reasons of transparency and accountability while ensuring that sensitive information (e.g. location of rare or endangered species under threat from wildlife trade) is available only to relevant *bona fide* parties. (internal and public). There should be portals for each PA via PA category (e.g. NPs, sanctuaries etc); each PA to be responsible for entering data into standard templates (e.g. species checklists, METT etc), while also having flexibility to maintain information uniquely relevant to itself. Members of the public able to access certain information and, subject to registering their details and confirmation of their email account, able to submit data, photos and information of relevance to biodiversity distribution and status, illegal activities and anything else related to biodiversity management, traditional knowledge and cultural heritage. Prototype to be operational in project sites by mid-term and mainstreamed by end of project. Monitoring of Community Plans should include an element of ecological monitoring.

Indicative activities under Output 2.1.2:

2.1.2a Scope PAMIMS, based on discussions with MENR (including departments of Forestry Development, Environmental Protection, Environmental Monitoring and Caspian Integrated Environmental Monitoring) and other relevant agencies, institutions and NGOs, including questionnaire survey of all PA directors/managers. Scope of PAMIMS with respect to monitoring should cover:

- biennial monitoring of PA management effectiveness, using METT;
- routine monitoring by enforcement staff (rangers);
- annual monitoring of management plan implementation, based on their annual action plans;
- annual monitoring of Community Plans in the case of communities enclosed within PAs;
- annual monitoring of ecological condition of individual PAs based on a framework that includes key indicator species (e.g. leopard in Hirkan NP), water quality, vegetation/habitat cover, etc.; land degradation extent and

- socio-economic monitoring of communities, based on core set of indicators (to be designed).

2.1.2b Design templates and prepare guidelines for the monitoring listed in 2.1.2a (above), based on user-friendly templates and SMART indicators. Information templates common to all PAs should cover:

- plant and animal species lists, including IUCN threat category, endemism status and whether or not invasive;
- set of maps covering topography, land use, vegetation types, land degradation, administrative boundaries and management zones, infrastructure including roads, settlements and facilities, cultural sites, tourism facilities and activities;
- introductory/background information on each PA, with community-based ecotourism section and links to features and other information of interest to visitors; and
- publications library for each PA and for PA system as a whole. (Training materials from Output 2.1.1 to be held here.)

2.1.2c Prepare a policy on levels of user access to PAMIMS, user guidelines and a module for integrating into the PAs Management Training Programme (see Output 2.1.1).

2.1.2d Design prototype and operationalise PAMIMS by mid-term, using project target PAs as pilots. PAMIMS to also provide for SMART monitoring by PA and proposed Community Rangers

2.1.2e Support PA monitoring with the development of a mobile application for SMART monitoring in the field that is focused on:

- evidence-based (photos) records of the distribution of rare, threatened (red lists) plant and animal species (especially endemics and also exotic invasives);
- evidence-based monitoring (photos and direct counts) of status of biodiversity indicators (e.g. migratory birds photographed and counted annually from fixed locations, restoration of habitats measured or counted at fixed locations regularly - monthly, seasonally or annually);
- evidence-based (photos) records of illegal activities (e.g. hunting, logging, removal of NWFPs, livestock grazing, encroachment of settlements and other changes in land use such as conversion of natural habitats to cultivation);and
- evidence-based monitoring of ranger patrolling activities, with distance travelled and locations recorded whenever mobile connectivity allows.

2.1.2f Solicit feedback on PAMIMS prototype from target PAs by mid-term, produce final version and mainstream monitoring and information templates for populating by all PAs before project.

Output 2.1.3 Participatory Management Plans (PMP) for two pilot PAs and their buffer zones, including financing and monitoring plans, prepared and endorsed by MENR.

70. This output will demonstrate how improved improved governance and management planning frameworks can be applied to representative PAs and their surrounding areas in a multi-sector, multi-stakeholder and integrative manner through an integrated landscape approach. This will

help address the underlying, often complex and interlinked sets of problems facing key PAs and their surrounding landscapes. Results and lessons learned from the implementation of these management plans under Component 3 will be scaled up to the national level and applied across Azerbaijan's PA network.

Indicative activities under Output 2.1.3:

2.1.3a Design a one-year management planning process for each target PA, with clear deliverables and timelines, that comprise:

- Respective Management Strategies and Action Plans drafted within 12 months, followed by three months of public consultation and a further three months to finalise (18 months in total).
- Management Planning Group (MPG) established for each target PA and tasked to oversee preparation of the Management Strategy and Action Plan, including financing and monitoring plans. Membership limited to 12 persons (ratio of up to 4 women and 8 men where possible) representing national park, governor's office, relevant district-level government agencies, municipalities and communities.
- Establishment of multi-sectoral Hirkan/Shirvan Intergrated Landscape Management Advisory Groups (ILMAGs), representing national parks, municipalities, communities, farming cooperatives, universities and private enterprises), to support and advise the respective MPGs. (Note: These Advisory Group will also support the national ILMTF set up under Activity 1.1.1).
- Stakeholder Forum established, with a independent chair and vice-chair (gender-balanced), in each target PA that is open to all interested parties and consulted regularly on draft outputs from the ILMAG and MPG and able to input their consensus views to the planning process.

2.1.3b Develop a participatory 10-year Management Strategy accompanied by a 5-year Action Plan, with emphasis on co-management across the wider landscape comprising NP, buffer (sanitary) zone and production systems, that is reviewed and rolled forward annually, using the above mechanisms established under Activity 2.1.3a to define, reconcile and address the following:

Review and update the zonation for Shirvan NP and complete/revise that for Hirkan NP.^[39]

Confirm the Sanitary Zone around the periphery of Shirvan NP, recently surveyed and awaits approval; and engage with that for Hirkan NP, which awaits completion and thereby provides potential opportunities for strengthening this buffer by applying a landscape approach to benefit biodiversity and local livelihoods.

Establish a common vision (10 years) for the respective PAs and identify objectives to achieve that vision, with clear outcomes to be achieved during the next five years, accompanied by a five-year Action Plan of outputs with responsibilities assigned among partners engaged in delivering the respective management plans.

Identify and map functional micro-corridors and farm level planning for linking core PA areas with habitat fragments of high biodiversity and ecosystem services values in surrounding buffer (sanitary) zones and production landscapes.

Conduct an updated assessment of land tenure and resource use in target PAs and adjacent production systems, using improved spatial analysis tools combined with local knowledge; and provide policy recommendations to enable rights, roles and responsibilities to be clarified in relation to resource use and management as part of the implementation of the respective Management Strategies. This activity to be overseen by the respective ILMAGs.

Component 3: Restoring, maintaining and enhancing biodiversity and ecosystem functions and services in target landscapes

71. Component 3 focuses on implementing the PA Management Strategies and Action Plans designed for the two target landscapes under Component 2 (Output 2.1.3), thereby demonstrating integrated landscape management approaches and sustainable land management practices in the two target PAs and their surrounding buffer (sanitary) zones and, in the case of Hirkan, enclaves inside the periphery of the national park. An integrated landscape management approach will be promoted to enhance multi-stakeholder participation in sustainable practices that will help to restore and maintain biodiversity and ecosystem functions and services. This will be attained through implementing and demonstrating strategies within selected parts of the landscape, thereby reducing current threats to core areas of biodiversity and ecosystem functioning.

72. In addition, the project's capacity building efforts targeted locally in and around the demonstration PAs will build resilience of these communities to climate change impacts through the adoption of Climate Smart Agriculture (CSA)[40]⁴⁰ and other land management practices. These will improve productivity and reduce land degradation, as well as promote diversification of more sustainable livelihoods. Over the long-term these measures should help to reduce potential conflicts and address underlying issues related to poverty and the lack of benefits to local communities from conservation of wildlife resources. Results and lessons learned will be scaled up to the national level and applied across Azerbaijan's PA network.

Outcome 3.1 Threats to biodiversity reduced, degraded lands restored and ecosystem functions and services enhanced in target landscapes

73. Restoration and enhancement of ecosystem functions and threat reduction are the key outputs of Outcome 3.1, the former being addressed mainly through the implementation of the PA Management Strategies and Action Plans (Output 3.1.1) and the latter largely by enhancing the management of buffer (sanitary) zones and adjacent production systems in ways that conserve biodiversity and sustain local livelihoods. Each output is elaborated below with indicative activities.

Output 3.1.1 Participatory (community-based) Integrated Landscape Management (ILM) demonstrated in two pilot PAs, adjacent production systems and buffer zones.

74. The project will support the application of participatory (community-based) Integrated Landscape Management (ILM) strategies agreed between the national park, relevant government authorities and those local communities living in PA buffer zones, both inside (enclaves) and beyond (sanitary zones) their perimeter. ILM strategies will be focused on enhancing ecosystem functions through activities to conserve biodiversity and restore degraded lands, such as managing grazing activities, as well as to avoid further degradation. Interventions will differ between the two PAs because they present very different scenarios, not only in terms of their biogeography (montane forests *versus* semi-desert herbaceous and steppe vegetation) but also in respect of their ecological integrity (inhabited enclaves in Hirkan NP *versus* almost zero habitation inside Shirvan NP). Furthermore, landscape approaches will also depend on other factors such as the state and nature of the resources, current land-use regimes and socio-economic conditions as elaborated in the description of the project sites.³⁴ By definition of its title, the Communication Strategy (Output 1.1.3) will play a pivotal role in raising awareness about the ILM approach, targeting key sectors to be involved in its delivery in the demonstration landscape and subsequent mainstreaming.

75. In Hirkan NP, the ILM strategy will focus on drawing up co-management agreements for the conservation and sustainable use of natural resources with communities residing and farming in enclaves inside the NP boundary. Such agreements (Enclave Plans) may be at community (CEP) or municipality (MEP) levels.

76. Although farmers receive some financial support from state subsidies, investments in sustainable land management is weak or non-existent. Thus, a key intervention to attain Outcome 3.1 will be to establish a financing and incentive mechanism in the target PAs to support the implementation of C/MEPs in Hirkan NP and similar types of agreement in Shirvan NP. It is proposed that lessons learned from the Financial Participatory Approach (FPA), piloted in the Southern Caucasus by the Transboundary Joint Secretariat (TJS) and ongoing in Azerbaijan under the KfW-financed Eco-Corridor Development Programme (ECDF), be applied to this GEF project. Further details of the approach can be found in the FPA manual and toolbox.^[41]⁴¹ In particular it will be important for any FPA to be applied in ways that strengthen and develop the capacity of women to engage in ILM practices and decision-making processes.

77. Participatory assessment of land resources and land degradation, using tools such as LADA (Land Degradation Assessment in Drylands), will be undertaken in municipality lands inside the target PAs (i.e. community enclaves as in the case of Hirkan NP) and their peripheral sanitary zones

in order to design ILM strategies specific to the needs of the respective communities. Rapid Rural Assessments (RRAs) undertaken during the PPG phase included piloting an appropriately modified version of LADA, an example of which is provided in **Additional Annex 2b** for a single village (Zungulesh) and its respective municipality (Artupa) in Lankaran District (Hirkan NP). Socio-economic reports on these RRAs are provided in the Additional Annexes 4a (Hirkan) and 4b (Shirvan); and this information is underpinned by a set of digital land use maps generated for the two target PAs and their respective sanitary zones on which are overlaid the municipality boundaries and locations of their respective villages/settlements.

ILM strategies in Hirkan National Park

78. In the case of Hirkan NP, ILM strategies will be piloted mainly in enclaves, where a C/MEP shall be agreed based on existing land uses and strategic interventions to introduced more sustainable agricultural, grazing and forest management practices to reduce pressures on NP lands, introduce climate-smart initiatives and enhance biodiversity aand ecosystem functioning.

79. The boundaries of 11 municipalities overlap with the National Park, 6 of them are in Lankaran District and 5 in Astara District. Some 35 villages lie completely (N=22) or partly (N=13) inside the NP boundaries, and they are legitimate because they occupy municipality lands. There are at least 7 settlements inside the NP that lack any legal status for historic reasons and 5 instances of NP land being encroached from adjacent municipal lands. Representatives from each of these municipalities were consulted during the PPG and one village per municipality was included in the RRA, for which further details are provided in **Additional Annex 4a** (report).. The intention is to apply the landscape approach to at least one village in each of the 11 municipalities based on appropriate interventions that are identified and agreed during the planning of C/MEPs. Such planning should be undertaken at the same time as developing the National Park Strategy and Action Plan to maaximise integration and cooperation between biodiversity conservation and community needs.

80. A further 20 municipalities overlap with the Sanitary Zone that surrounds the periphery of the NP; and they have also been mapped with respect to land use. While the priority is to address pressures on biodiversity arising from inhabited enclaves within the Hirkan NP, there may be appropriate opportunities at municipality level to address a cluster of settlements that are distributed across both the national park and its sanitary zone. Over the longer term, ILM should be extended to the production systems beyond the sanitary zone, which in the case of Hirkan are mostly forestry, but this is likely to be overambitious for the project to spearhead.

81. The application and demonstration of the ILM approach shall include the formulation and implementation of agreements between national park authorities, relevant sector agencies, municipalities and local communities for joint implementation of strategies to improve agricultural and pasture lands, thereby reducing pressure on NP resources while improving local livelihoods. In parallel with these agreements, the key executing partners within MENR and MAF should be work with the rural development and energy sectors to replace the use of fuelwood from the NP?s forests with electricity, gas, solar and wind systems.

82. The following SLM strategies for communities should be included in the design of the agreements:

- ? Improving sustainable livestock (cows and sheep) management to reduce extensive and illegal grazing in NP forests, including stall feeding, rotational systems and planting of fodder trees for additional animal feed. This should be accompanied by capacity building to sustainably manage grasslands and pastures[42]⁴², which are mainly in municipal lands.
- ? Development of integrated community-based management of forests.
- ? Protection of mountain and hill slopes to prevent erosion and landslides, hence to improve productivity and prevent land degradation.
- ? Restoration of municipal lands, which were used for agriculture in kolkhozes (collective farms) during former Soviet times. (Note: This also applies to the three illegal farms inside Shirvan NP that are due to be vacated.)

ILM strategies in Shirvan National Park

83. In the case of Shirvan, ILM strategies will be applied in the buffer (sanitary) zone, working with key stakeholders and selected communities whose management has impacted NP resources. These will be informed by the socio-economic study of Shirvan's communities located in the sanitary zone (Additional Annex 4b).

84. A key interventions under Output 3.1.1 is to agree a strategy with surrounding food industries, communities and Azerbaijan Melioration and Water Economy Open Joint Stock Company (OJSC) to clean up the polluted drainage water discharged into the Caspian Sea via the main South-1 Collector. Some of this drainage water is diverted via the Shirvan Wasteway Channel (5.2 km length), which was cut in the late 1950s/early 1960s specifically to artificially maintain water year-round in Gizilgaz (Flamingo) Lake. The quality of this water is not regularly monitored and it proved impossible during the PPG to access any data that might exist. Direct observations of the water in the Channel indicate it is extremely turbid, possibly a combination of sediment and algae, and probably loaded with nitrates and phosphates in view of the surrounding agricultural and suburban landscape, as well as vast greenhouses covering many hectares of land bordering the NP. Clearly there have been water supply problems in the past, as reported to the 9th Meeting of the Ramsar Conference of Parties:

Improvement of water supply of Gizilgaz Lake situating in the territory of Shirvan National Park positively influenced development of ichthyofauna and ornithofauna of lake.[43]⁴³

85. However, water quality has been considered to the extent of being listed as a threat in the 2011-2015 NP management plan for which no data were available nor actions proposed.[44]⁴⁴ It will be important, therefore, during project inception to follow up directly with the Environmental Monitoring and Caspian Integrated Environmental Monitoring departments (MENR) to assess the current status of monitoring, then agree with them and other relevant partners on a set indicators for

testing water quality, from which the results will inform management interventions that are likely to also benefit coastal waters in the Caspian Sea.

86. An agreement should also be established with the State Oil Company, which has 12 oil pumps (donkeys) operating within an area of approximately 1,575 ha in Shirvan's sanitary zone. The company's environmental and social responsibilities should be explored with a view to investing in conservation of the natural capital and mitigating its impacts (oil pollution) on land and watercourses.

87. Resettlement of some 40 internally displaced persons (IDPs) from Shamakhi District, illegally settled in three farms and occupying approximately 12 ha just inside Shirvan NP, has been a sensitive ongoing issue since 2015 but more recently in 2018 the Supreme Court ordered that all illegal farms should be moved from NP territory without compensation. Following official letters sent in 2019 and in 2020 by the Director of Shirvan NP to Salyan Court Orders' Enforcement Office, enforcement measures are awaited. Once this issue is resolved, the project will be able to support restoration and monitoring of the habitat, taking care for example, to prevent potential IAS to colonise and dominate natural regeneration processes.

88. SLM measures will be implemented through partnerships with relevant sectors, municipalities and communities in Shirvan's buffer (sanitary) zone, oriented mainly towards: improving agricultural and grazing systems, including the application of fertilizers and pesticides; establishing or improving irrigation systems, including the regular maintenance and cleaning of the channels; developing/enhancing the ecological role of channels as corridors of biodiversity for both aquatic and terrestrial wildlife; and the treatment and disposal of waste water, particularly in relation to the Shirvan Wastewater Channel that supplies Gizilgaz Lake.

89. The ILM Communication Strategy (Output 1.1.3) will raise awareness about Shirvan's valuable biodiversity and highlight the importance of adopting sustainable practices in the surrounding landscape. For farmers, horticulturists and local schools and communities training opportunities will be provided under Component 4.

Indicative activities under Output 3.1.1:

90. Demonstrate participatory (community-based) ILM best practice co-management models for conservation and sustainable management of natural resources in the target PAs and adjacent production systems that are climate resilient, address land degradation and improve livelihoods (e.g. ecosystem-based agriculture, sustainable pasture management, habitat restoration, clean and waste water management, and non-wood forest products). More specifically:

3.1.1a Collate and update assessments of natural resources (including biodiversity) in each target PA and their surrounding landscapes; and establish a measuring, reporting and verification (MRV)[45]⁴⁵ system for monitoring carbon capture and emissions at landscape or even catchment level to raise awareness about net costs and benefits of land management and inform future landscape planning. In parallel, undertake a socio-economic cost-benefit analysis for each target PA[46]⁴⁶ to further inform planning.

3.1.1b Establish a Strategy and implement an Action Plan to strengthen / develop the capacity of women to engage in ILM practices.[47]⁴⁷

3.1.1c Facilitate sector agencies and support communities in establishing functional micro-corridors to link core PA areas with habitat fragments of high biodiversity and ecosystem values in surrounding buffer (sanitary) zones and production landscapes.

3.1.1d In Hirkan NP, promote and formulate participatory Enclave Plans (EPs) at Community (CEPs) or Municipality (MEPs) levels, based on agreements between the NP, relevant sector agencies, municipalities and communities living in enclaves, that support biodiversity conservation and restoration, sustainable land management and improve livelihoods.

3.1.1e In Shirvan NP, identify and operationalise options with the NP, local authorities and waste water management authority(s) to improve quality of the water channelled to Gizilgaz Lake and associated wetlands; and monitor the natural regeneration of habitat following the resettlement of the three farm communities, intervening as appropriate (e.g. to prevent IAS from colonising).

3.1.1f Elsewhere, in Shirvan Sanitary Zone prioritise the implementation of SLM measures through partnerships with relevant sector, municipalities and communities towards: improving agricultural and grazing systems; establishing or improving irrigation systems; and promoting the ecological role of channels as reservoirs and corridors of connectivity for both aquatic and terrestrial biodiversity.

3.1.1g Establish financing mechanisms, using lessons learned from the Financial Participatory Approach, in the target PAs to support implementation of CEPs in Hirkan NP and similar types of agreement in Shirvan NP.

Note that the Gender Action Plan (see Annex 5) incorporates some of the above actions to achieve gender equality under this component. In addition, practices envisaged under ILM strategies (C/MEPs) as providing alternative livelihood opportunities are considered in Output 3.1.2.

Output 3.1.2 Alternative livelihood opportunities and markets identified in PA Management Plans and associated Community/Municipality Enclave Plans implemented

91. This Output is closely linked to Output 3.1.1 in terms of improving the sustainability of the livelihoods of communities living in and around PAs but the focus is on diversification of income sources and piloting or strengthening alternatives, especially those that reduce the dependence on biodiversity in and around core hotspots that need to be protected. Thus, Output 3.1.2 links directly to C/MEPs developed for Hirkan NP and similar types of agreement developed for Shirvan Sanitary Zone under Output 3.1.1, as well as to the Management Strategies and 5-year Action Plans of the respective PAs generated under Output 2.1.3, as in the case of ecotourism for example. The scope of this Output includes the following and should be determined during project inception:

- ? Site-specific market-based incentives and instruments to support sustainable production (e.g. through PES, value chain development) around target PAs, with the development of associated local stakeholder capacity (under Output 4.1.2) and strengthening of relevant local business forums for exchanging information, understanding perspectives and exploring ideas and options to reduce threats to biodiversity and ecosystem services in the target landscapes.
 - ? Sustainable business models/plans for individual PAs to improve livelihood opportunities of local people[48]⁴⁸ focusing on biodiversity and ecosystem services
-

developed with marketing at international, regional, national and local level. Note that elements such as visitor centres, accommodation, guides, would be expected to be financed through private sector investments.

- ? Based on the management plans developed in 2.1.3, the project will invest significant resources in the target PAs and their buffer zones to: (i) improve ecosystem integrity within the PA and improve provision of ecosystem services, and (ii) implement best practices that will improve efficiency of current production practices and reduce pressure to the protected areas. Activities could include managing or restoring grasslands and forests, CSA/Agroecology[49]⁴⁹ or ecosystem-based agriculture (Save and Grow[50]⁵⁰). These will be analyzed during project preparation.

Alternative livelihood opportunities in Hirkan National Park

92. In the case of Hirkan, communities residing within enclaves inside the perimeter of the NP and those inside the sanitary zone adjacent to the NP perimeter currently rely on cattle breeding, crop production, fruit growing, vegetable growing, apiculture, social allowances and tourism for their livelihood. In some enclaves agricultural land is limited and only fruit and crops are grown. Pastures are also limited due to the mountainous terrain areas, hence the main income source is cattle breeding. Also, cattle graze illegally inside the NP due to shortage of pastures.

93. Key livelihood alternatives identified during the PPG consultations with community representatives while undertaking a rapid land degradation assessment include: fruit and nuts production and processing, apiculture and community-based ecotourism. Fruit and especially nut production are considered to be the most promising products, with further potential for adding value and developing a market access strategy for accessing markets. Further, more detailed analysis of other promising non-wood forest species, such as medicinal plants, will be conducted in order to identify key species that could be used in restoration systems while improving livelihood opportunities. Business plans for those key species will be developed.

94. During implementation of this component, the different needs and preferences of women and men will be taken into account in identifying alternative livelihoods. As noted in Section 3, women face barriers when starting a business, specifically: (i) lack of family support for their decision, (ii) lack of access to capital, and (iii) lack of information about planning and developing a business. The project will support, training in business management, value chains and marketing specifically to women's groups in order to support their adoption of the ILM approach in developing livelihood opportunities (e.g. NWFPs such as honey, medicinal plants and wild fruits) that reduce threats to biodiversity. Such training will be covered under Output 4.1.2.

95. In the case of Hirkan, the regional Ecotourism Strategy will take into account and strengthen the existing infrastructure and initiatives. For example, in Astara, there is a recreational and wellness centre near Istisu Village, on the southern boundary of the NP, with seven to eight bungalows equipped with hot sulphur baths. Most bungalows were constructed with the support of international projects, now are the property of the NP and leased out long-term. The Ecotourism Strategy will

identify how these initiatives can become 'greener', aligned with community initiatives and linked to Hirkan's branding framework, strategy and action plan.

Alternative livelihood opportunities in Shirvan National Park[51]⁵¹

96. The main population centre near Shirvan NP comprises a contiguous cluster of four villages along the main highway (Hasanli, Gardili, Yenikend, Shakarli) under the administration of Salyan District, about four to five km south-west of the main entrance to the NP. These villages lie within Yenikend and Hasanli municipalities and their total population is approximately 9000 persons distributed among 2000 households. These communities date back to early Soviet times when they were kolkhozes.

97. Their main income source is agriculture (crop and vegetable production), fruit growing, cattle-breeding and poultry. Other sources of income are fishing and local tourism (Shirvanli Village), and small businesses (markets, supermarkets, taxi services, etc.). There are also four villages (Abbasalli, Shirvanli, Mirzegurbanli and Tatarmehle) in Hasanli Municipality where there are seven cattle breeding farms, two are locally owned and five belong to refugees from the occupation of Kalbajar District by Armenians. The main activities of the population are in agriculture, agricultural services, highway traffic services, civil service and three to five high-tech agricultural farms set-up in recent years.

98. In comparison to Hirkan NP, communities adjacent to Shirvan occupy larger lowland areas. For example, Shirvanli Village (Neftchala District) occupies a total area of 828 ha, where 126 families (600 persons) reside; and in Gardili Village (Salyan District) 300 families (1626 inhabitants) occupy 4604 ha.

99. The main human-wildlife conflicts with communities living adjacent to the NP border concern trespassing, poaching and illegal grazing by cattle, sheep and goats from the nearby livestock farms near the villages. Project interventions will explore rotation systems for pastureland management and the integration of fodder plants for providing additional feeding in scarcity times and therefore preventing the expansion of pastureland management to PAs areas.

100. In communities adjacent to Shirvan NP, the main crops are barley, wheat, clover and cotton. Livestock are also a main income source. There are almost no forests in the area, except in Hasanli Municipality where, as in the case of Hirkan, grazing occurs. In these communities, besides ecotourism, a strategy will be developed for increasing the diversity of crops along with identifying potential added value processes and improved markets for existing ones.

101. As part of the market strengthening, a Branding Framework for PAs, with Strategies designed and Action Plans operational for each target PA, will be developed that focused on food/medicinal plant production, local heritage and handicrafts.

Indicative activities under Output 3.1.2:

3.1.2a Establish a regional community-based Ecotourism Strategy and Action Plan for PAs in southern Azerbaijan (i.e. Hirkan, Shirvan and Gizil-Agach NPs) in collaboration with the State Tourism Agency and its Tourism Board and pilot/consolidate community-based ecotourism activities.[52]⁵²

3.1.2b Develop a Branding Framework for PAs, with Branding Strategies designed and Action Plans operational for each target PA, focusing on food/medicinal plant production, local heritage and handicrafts.

3.1.2c Improve value chains and market access for non-wood forest products (NWFPs) in Hirkan communities (e.g. honey, medicinal plants, wild fruits), targeted especially at increasing the capacity of women to process and market goods through training opportunities under Output 4.1.2.

3.1.2d Formulate a Strategy and Action Plan at municipal level for communities to access and reduce the use of fuelwood from Hirkan's forest, including policy changes to economic zones of PAs, provision of mains services (electricity, gas, water) and alternatives (e.g. biogas, fuel-efficient stoves, woodlots), according to what is allowed in each zone and local feasibilities.

3.1.2e Capacity building of Community Rangers. Their roles to include monitoring (e.g. caretaking camera traps), guiding visitors, patrolling and reporting to enforcement bodies, such as NP, police, municipality and district authorities. Specific training modules for Community Rangers should be included under Output 4.1.2; and they should also have access to other training modules, for example on SLM in order to support such approaches within their own communities. Thus, their role could include supporting outreach experts from the agricultural, forestry, tourism and biodiversity conservation sectors as well as encouraging women to fulfill Community Ranger responsibilities.

Component 4: Building capacity, managing knowledge, monitoring and evaluation

102. Building capacity will be based on FAO's approach to capacity development[53]⁵³, which is elaborated in a series of four modules to support partners and other collaborators engage effectively with multiple actors at national and regional levels to assess existing capacities, set priorities and objectives for interventions, track capacity development results and ensure that these are sustained and up-scaled by national and/or regional institutions in member countries. Capacity development will be targeted at national, institutional and individual levels.

103. Component 4 focuses on building capacity to effectively manage the PAs system within a wider landscape context through the delivery of a training programme; and supported by a monitoring system and information management platform (PAMIMS) that is populated with monitoring data, knowledge gained and lessons learned from demonstrating ILM in the target landscapes under Component 2. The web-based MIMS will also provide the platform for the project's gender sensitive M&E Plan (Output 4.1.3).

Outcome 4.1: Capacity to effectively manage and monitor PAs system and adjacent/ enclosed buffers improved through training and knowledge of their ecological and management status.

104. Outcome 4.1 reflects the paradigm shift from PAs being managed as isolated islands vulnerable to surrounding anthropogenic pressures to the protected hearts of landscapes subject to a common vision that is realised through sustainable, integrated management among a multiplicity of sectors and disciplines. Capacity to manage PAs more effectively through partnerships with other sectors having vested interests in the lands around PAs will be developed through a modular training programme that embraces the needs of key sectors (conservation, agriculture, forestry and water management) under Output 4.2 and support by population of PAMIMS (Output 4.1) for monitoring and information purposes. Monitoring progress in project implantation and adapting management as necessary is addressed under Output 4.3.

Output 4.1.1 Web-based PA Monitoring and Information Management System (PAMIMS) designed, populated, operational and accessible for monitoring and information purposes

105. Once designed under Component 2 (Output 2.1.2), PAMIMS will be populated with data and information from the two target PAs as a demonstration for other PAs in the system. This will be supported by a training module under Output 4.1.2. Managing PAMIMS at the individual PA level via a portal will be the responsibility of teach PA administration. In order to get PAMIMS populated efficiently, it may be appropriate to establish a 'buddy' system whereby the project sites support other NPs in populationg PAMIMS with their respective data.

Indicaive activities under Output 4.1.1[54]⁵⁴:

4.1.1a Populate PAMIMS with indexed information and knowledge generated by project and provide different levels of internal and external access according to Project partner, stakeholder and wider public interests.

4.1.1b Regularly collate, upscale and share monitoring data and information for annual Project Implementation Reviews, Mid-Term Review and Terminal Evaluation.

4.1.1c Develop and implement a strategy for enabling all PAs (IUCN Categories 1-IV at least, as listed in Additional Annex 1) to be populated with their respective data by end of project.

Output 4.1.2 Landscapes and PAs Management Training Programme plus handbook designed, delivered and institutionalised, with international collaboration and exchanges as appropriate

106. The Training Programme will focus on the integrated management of biodiversity and ecosystems at landscape scales to build capacity within the PAs sector (biodiversity conservation) while also including other key sectors involved in sustainable land and water management, notably agriculture (including horticulture) and forestry, particularly their extension services, as well as water

supply and drainage services. It will be designed and delivered with land managers very much in mind, promoting biodiversity-friendly land, water and other natural resource use practices in landscapes surrounding target PAs among the farming community and others whose livelihoods are significantly dependent on natural resources.

107. Certain training and capacity building will be undertaken ?on the job?, learning by doing under close supervision of an expert staff member of a partner organisation or consultant. For example, management planning at PA or landscape level will be lead by a consultant working closely with one or more PA staff members at each target site. All training, modular courses and on the job, will be accompanied by guidelines/resource materials for subsequent incorporation into a handbook. Such resources will also be readily accessible on-line via PAMIMS.

108. International collaboration and knowledge exchange activities on landscape and PAs co-management approaches and methodologies including small-business development and value chains for conservation and sustainable management will be conducted with PAs of other regions, seeking for specific solution-providers on specific topics needed.

Indicative activities under Output 4.1.2:

4.1.2a Scope the Training Programme by assessing range of staff positions and their related competencies and equipment necessary to effectively manage Azerbaijan?s PAs system within a wider landscapes scenario. Also, assess needs and opportunities for having modules accredited; and identify options for institutionalising Training Programme by end of Project, potentially through partnership with training colleges, universities or institutions and/or through training-of-trainers approach with focal points responsible for each module distributed throughout the Ministry and ensuring that modules are regularly updated.

4.1.2b Review training materials and expertise readily available from GEF, FAO and other projects, agencies, universities and NGOs in the region and more widely to identify potential opportunities and synergies for collaboration in development and/or delivery of the Training Programme.

4.1.2c Design and have the Training Programme approved, using a modular format to provide maximum flexibility for its delivery and further development as needs arise. Each module to be accompanied by guidelines/resource manual for subsequent incorporation into a handbook. Such resources will also be readily accessible on-line via PAMIMS. Tentative topics are[55]⁵⁵:

- ? Designing and facilitating multi-sector, consensus-building consultation processes⁵⁶;
 - ? community engagement and stakeholder participation;
 - ? participatory management planning and implementation;
 - ? financial planning and management;
 - ? ILM approaches to enhance biodiversity in PAs and peripheral buffers and production systems;
 - ? habitat and species management;
-

- ? nature protection and enforcement activities;
- ? best practices in land and water management for sustainable agriculture, horticulture, forestry;
- ? community-based ecotourism and visitor management;
- ? monitoring management effectiveness (using METT);
- ? monitoring ecological condition of PAs (training requirements for applying Output 2.1.2);
- ? use of spatial and other tools/equipment (e.g. GIS, GPS, camera trapping, drones);
- ? populating templates in PAMIMS with PA-specific data and information and maintaining PA portals to this web-based system;
- ? renewable energy and fuel efficiency (e.g. energy efficient cooking stoves, biogas);
- ? sustainable alternative livelihoods development, with branding, marketing, and business planning and management (including modules tailored specifically for women); and
- ? communication, awareness-raising and outreach.

4.1.2d Prepare guidelines for each module and also ensure they are readily accessible via Project's website, ideally in interactive form.

4.1.2e Deliver Training Programme, focusing on project target PAs prior to mid-term and thereafter more widely across PAs system. Each module to be evaluated by participants (anonymously) and feedback incorporated into revised modules.

4.1.2f Institutionalise Training Programme post mid-term based on findings of scoping (Activity 4.1.2a) and subsequent developments.

4.1.3 Conduct workshops and field visits to PAs in other countries, where co-management, landscape approaches and alternative livelihood entrepreneurship have been further developed.

Output 4.1.3 Gender-sensitive M&E Plan in place to inform project implementation, decision-making and adaptive management.

109. Information and knowledge generated by the project will be organised and documented routinely for sharing and upscaling at the annual Project Implementation Reviews (PIR), Mid-Term Review (MTR) and Terminal Evaluation (TE). Project implementation, monitoring and evaluation will be closely coordinated by the National Project Coordinator, based on the organizational arrangements described in Section 6.

110. Implementation progress will be monitored regularly by means of the Project Results Framework (Annex A1) and Annual Work Plan and reported to the Project Steering Committee at its biannual meetings. Monitoring and evaluation activities will include the regular review and updating

of the project M&E Plan with indicators, baselines and targets, annual work plans and budgets and the generation of comprehensive progress reports.

111. The project will ensure that gender mainstreaming and Environmental and Social risk Management (ESM) Plan requirements are met as an integral part of project planning, implementation and the M&E cycle. Regular PSC and Project Task Force (PTF) meetings will enable key stakeholders to be actively involved in a participatory M&E process.

112. Importantly, the project will conduct a Mid-term Review and Terminal Evaluation to assess implementation progress, emerging constraints, lessons learned and (at mid-term stage) to formulate possible remedial or adaptive management measures to optimise implementation efficiency and knowledge generation.

Indicative activities under Output 4.1.1:

4.1.3a Review Project M&E provisions during project inception and update/revise as necessary, ensuring indicators, baselines and targets in the Project Results Framework are complete, realistic and adequately gender-sensitive; and that minimum GEF requirements for M&E are met in the Project Monitoring & Evaluation Plan.

4.1.3b Recruit a gender and safeguards expert to train project staff on gender equality during project inception, provide technical support to integrate gender into project implementation plans, and to advise on gender mainstreaming. Assign Gender Focal Point(s) to implement the Gender Action Plan (Additional Annex 5) within each target PA.

4.1.3c Carry out Mid-Term Review and Terminal Evaluation in line with GEF requirements; and incorporate MTR recommendations into revised project plans (management response) following Project Steering Committee approval, and monitor their implementation.

4.1.3d Prepare an Exit Strategy by end of Year 4 and implement it during final year to ensure post-project sustainability of project interventions, where appropriate.

1 D: Alignment with GEF focal area and/or Impact Program strategies

113. The proposed project is aligned with the Biodiversity focal area, Program 1 ?Mainstreaming biodiversity across sectors as well as landscapes and seascapes? and Program 2 ?Address direct drivers to protect habitats and species?. The proposed project is taking a landscape approach to conserve and sustainably use key biodiversity areas in Azerbaijan. Within the process of mainstreaming, the project will invest in spatial and land use planning as a key stepping stone to better understand the drivers of resource degradation and to pave the way for more comprehensive mainstream investment in the production landscape. The project will work with neighboring communities to improve production practices in order to reduce pressures on neighboring protected areas.

114. Regarding program 2, the project will focus on improving financial sustainability and improving the management of the protected area system. The project will develop a system-level strategy to mobilize the national and international community to ensure that sufficient and predictable financial resources are available to support protected area management costs. Preliminary analysis shows that there is a significant gap in financing that needs to be addressed. The goal is to develop a longer term plan to reduce this funding gap.

115. Finally, while the project funding comes from the BD focal area, the project will also report (as a cobenefit) on GEBs of interest to the LD and CC focal areas. The tools that will be implemented in Azerbaijan can be used to support and monitor implementation of SLM to achieve LDN. These same tools can be used to report on carbon captured/emissions avoided. The project will support the implementation of sustainable land management in PAs and their buffer zones in order to (i) reduce pressure on the protected area system, (ii) increase the prospects for food security for neighboring communities, (iii) reduce the risk of farmland expansion, and (iv) reduce the risk of overexploitation of natural resources (particularly fuelwood). In addition, the project will support efforts to restore productivity in degraded lands identified in the preliminary assessment.

1 E: Incremental/additional cost reasoning and expected contributions from the baseline, GEFTF, LDCE, SCCF and co-financing

116. The proposed project will build on current government programmes and strategies to deliver global environmental benefits. In particular, the project will build on the following activities:

Component 1. Strengthening the national and local enabling environment to support a landscape approach to conserve biodiversity.

117. Regarding mainstreaming activities, the proposed project will support current activities being implemented both under (i) the National strategy of the Republic of Azerbaijan on Conservation and Sustainable Use of Biodiversity for 2017-2020, in particular Action 6.8. Developing collaborative management in biodiversity conservation; and (ii) the Strategic Roadmap on Agricultural Production and Processing of Azerbaijan under Strategic Target: 7. Environmental protection, efficient use of natural resources and decreasing natural disaster risks to agriculture. Currently, the government of Azerbaijan is investing on planting windbreaks along agricultural lands (Action 7.2.3) and conservation of agro-biodiversity (action 7.2.5).

118. The proposed project will work with the government of Azerbaijan and local communities and civil society to support the development of a framework of policy and legal interventions necessary to strengthen natural resources management using a landscape approach. GEF resources will be used to hire local and international consultants to (i) develop a national integrated landscape management strategy and action plan, (ii) carry out socioeconomic valuation of ecosystem goods and services provided by the PA system, and (iii) develop and deliver a communication strategy to raise awareness on the importance of integrated landscape management. GEF resources will also support annual meetings and workshops, and will be used to fund a baseline Knowledge, Attitudes, and Practices (KAP) Survey and the implementation of communications action plan. It is estimated that GEF will contribute \$526,319 to implement these activities. Estimated cofinancing amounts to \$850,000.

Component 2. Deploying innovative strategies and tools to improve management and viability of PAs system

119. The project will build on government activities being carried out under the "National strategy of the Republic of Azerbaijan on Conservation and Sustainable Use of Biodiversity for 2017-2020". Currently, the government is investing resources on the sustainable use of genetic resources; conservation of biodiversity and transfer to future generation; poverty alleviation; maintenance of ecological balance; ensuring transition to a "green economy"; promotion of environmental education; restoration of endemic and local fauna species; development of the protected areas network; and reducing the threats to biodiversity.[57]⁵⁷

120. GEF funds will complement government efforts by developing innovative strategies and tools necessary to improve the operation of the PAs system. The project will engage stakeholders both from the PA sector and other productive sectors to develop a consensus-building process to agree on a common, holistic vision for the PAs and their surrounding landscapes. In particular, GEF resources will be used to (i) hire local and international consultants, (ii) support stakeholder participation, (iii) fund data collection, and (iv) establish agreements with local CSOs and national institutions in order to (i) develop a sustainable financing strategy and action plan for the PA system, (ii) support the development of a participatory and user friendly monitoring and information management platform, and (iii) to develop participatory management plans (PMP) for Shirvan and Hirkan. The GEF will invest approximately \$605,794 million to achieve these objectives. Government cofinancing is estimated at \$4,350,000.

Component 3: Restoring, maintaining and enhancing biodiversity and ecosystem functions and services in target landscapes .

121. Under component 3, the project will implement the PA management strategies and action plans designed for Hirkan and Shirvan under component 2. The objective is to demonstrate how the integrated landscape management approach can be implemented to enhance multistakeholder participation and to restore and maintain biodiversity and ecosystem function and services. GEF resources will be used to carry out investments outlined in the PMP (2.1.3). This includes activities such as sustainable livestock management (eg. stall feeding, rotational systems, fodder trees), community managed forests, erosion prevention, and restoration of municipal lands, among others. In addition, GEF resources will be used to support alternative livelihood opportunities such as ecotourism and improving valued chains (NWFP, wild fruits, medicinal plants, processing of market goods). It is estimated that approximately \$936,869 will be invested under this component both on field activities and to hire national consultants who will provide technical support to the process (including targeted support for women). Cofinancing resources are estimated at \$2,400,000.

Component 4: Building capacity, managing knowledge, monitoring and evaluation.

122. Finally, GEF resources will be used to ensure that the project is managed using adaptive management principles. In particular, GEF resources will be used to build national capacity, to strengthen knowledge management activities and to ensure adequate M&E activities to ensure project success. Approximately \$286,569 (GEF Resources) will be invested to carry out activities in this component. In order to improve the PA management and monitoring capacity, GEF resources will be used to hire national and international consultants to develop the PAMIMS, to develop a gender-sensitive M&E plan, and to carry out a capacity needs assessment and design and implement the capacity building program. Cofinancing resources are estimated at \$400,000.

123. In summary, the estimated value of the government's contribution to the project (both in-kind and as current government programs on biodiversity protection, forest restoration and agricultural support) is USD 7.5 million. FAO will contribute approximately USD 1 million on activities that will be funded from the FAO Turkey Partnership Program (FTPP) and the FAO Azerbaijan Partnership Program.

1 F: Global environmental benefits (GEFTF)

124. The project will produce the following GEBs

Core Indicator	Description	Target
1.1	Terrestrial PA under improved management effectiveness	
	- Shirvan	54,375 ha
	- Hirkan	40,358 ha
3.1	Area of degraded agricultural land restored	
	- Shirvan	100 ha with project funds
	- Hirkan	100 ha with project funds
4.1	Area of landscapes under improved management to benefit biodiversity	
	- Shirvan	250 ha direct intervention (i.e. with project funds)
	- Hirkan	250 ha direct intervention (i.e. with project funds)

4.3	Area of landscapes under sustainable land management in production systems	
	- Shirvan	100 ha livestock activities with project funds
	- Hirkan	100 ha livestock activities with project funds
6.1	Carbon sequestered or emissions avoided in the AFOLU sector	2.5 million tonnes
11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	67,000 (at least 45% women)

125. Both pilot project areas are important biodiversity areas in Azerbaijan, in Caucasus region and also in the world. Shirvan National Park is the most important place for the Goitered Gazelle in Azerbaijan if not even worldwide. Nowhere else this gazelle species occurs with a comparable population density and productivity, and nowhere else Goitered gazelles can be observed better and at closer distances in the wild than here. Area plays a significant role for the re-introduction of this species and several projects already implemented to re-introduce them to Georgia and also to other sites where gazelles lived historically.

126. The semi-deserts landscapes of Shirvan are home for a well protected natural and highly specialized fauna and flora growing on special soils under very specific climatic conditions. All this makes SNP a unique area even on a global scale. Besides, wetland area in the park is potential Ramsar site and has been proposed for the official designation by the Ramsar Convention. This wetland is biotope for many rare and threatened species during breeding, wintering and migration periods. Siberian Crane (*Leucogeranus leucogeranus*), Marbled Teal (*Marmaronetta angustirostris*), Red-breasted Goose (*Branta ruficollis*) are some examples to globally threatened and endangered species being recorded in Shirvan National Park on a regular basis.

127. SNP hosts several mud volcanoes of a very special type, typical for Azerbaijan, which is powered by natural gas and tectonic pressure, quite in contrast to other types of volcanism. Mud volcanoes are one of the most spectacular and extraordinary natural wonders of Azerbaijan, worth to protect and worth to show the people. Therefore, they have been suggested as UNESCO World Natural Heritage.

128. Hirkan National Park has been created to protect unique forest area in the Caucasus survived Ice Age and there are more than 150 endemic tree and bushes species recorded in here which makes this protected area globally important biodiversity site. Hirkan forest is equally important site for fauna species as a well. Persian Leopard (*Panthera pardus saxicolor*), Caspian tit (*Poecile hyrcanus*), Talysh pheasant (*Phasianus colchicus talyshensis*) are some examples to species of importance in this protected area.

129. Iranian part of the Hyrcanian forest already included into UNESCO World Heritage List and Government of Azerbaijan also prepared and submitted documents to UNESCO Secretariat.

130. Both pilot areas are also important for the livelihood of populations living around the National Parks and they depend directly and indirectly from these areas as a main beneficiaries of the provided ecosystem functions.

131. Considering all above mentioned points, the project will provide global environmental benefits in the form of (i) conservation of globally important biodiversity within the protected area system (94 thousand hectares); (ii) improved management effectiveness of the PA system, including sustainable financing; (iii) reducing the loss and degradation of natural habitats in the broader landscape, (iv) managing biodiversity in production landscapes; (v) sustainable land management, diversification of crop and livestock systems; and (vi) improving local livelihoods through integrated management approaches; (vii) protecting ecosystem functions through improved management of the PAs. The proposed project will also have important co-benefits in terms of carbon captured. A preliminary carbon assessment estimates that carbon benefits will be in the range of 2.5 million tonnes of CO₂e captured/avoided over a 20 year period (please refer to EX-ACT calculations uploaded in the portal for details).

1 G: Innovation, sustainability and potential for scaling up

132. As discussed above, the project will use a two pronged approach to dealing with the broader landscapes where PAs are located in order to support sustainable use of resources and reduced degradation. The proposed project will promote innovative measures (community based approach, economic instruments for PA financing, landscape approach) in Azerbaijan for the conservation and management of the key habitats in order (i) to combat existing threats and barriers, (ii) to support cooperation and collaboration among existing stakeholders, and (iii) to increase the capacity and supporting services provided by the ecosystems targeted. In particular, the project is innovative as it will update management tools and develop a modern system to plan and monitor operations. In addition, the project will train stakeholders on new techniques (surveys, use of drones) that will improve the use of resources. Finally, the project is innovative as it will support the implementation of a landscape approach for natural resources management and will work with local communities in the co-management said resources.

133. The sustainability of a protected area system requires that each protected area site is effectively governed and managed according to its specific demands within the context of a clear system vision. Some areas will require a low level of management activity while others may require a greater management effort to achieve their conservation objectives. The project will work at three levels to ensure sustainability: first, it will support institutional sustainability by improving capacity at the national and local levels. Second, it will strengthen the enabling environment to ensure sustainability from activities carried out at the institutional (capacity building, component 1), financial (resource mobilization to support PA and local communities, component 2), socioeconomic (training and knowledge sharing, on the ground investments, component 3) and environmental (component 2 and 3) point of view. Finally, make every effort possible to ensure co-financing resources are mobilized in order to the sustainability of the vision beyond the project life.

134. With the project, site level management approaches will be carried out within a landscape-level conservation planning and management vision. These innovative approaches will be scaled up through a paradigm shift of Azerbaijan's protected areas managers, staff, local people and other stakeholders that will (i) support the effective management of existing protected areas that extends the coverage of threatened species in protected area systems; and (ii) build capacity of natural resource and/or protected areas managers to support and create cooperation and collaboration with related stakeholders who benefit the existing natural resource base. The mobilization of co-financing resources (both for the PA system and from the private sector to improve production practices in the broader landscape) will be key to ensure the scaling up of project activities and for the uptake of lessons learned.

1 H: Summary of changes in alignment with the project design with the original PIF

135. The project design has not changed conceptually with respect to strengthen the effectiveness of Azerbaijan's PAs system, more emphasis has been placed on the landscape approach as an initiative to embed the surrounding areas in principles of integrated (i.e. multi-sector) sustainable land management both to benefit the conservation of core biodiversity areas and enhance the livelihoods of communities residing in and contributing to the management of the landscape.

136. What needs to be appreciated, however, is that the landscape approach being demonstrate in the two target sites is very limited in terms of the scale of the landscapes, with ILM approaches unlikely to extend much beyond the sanitary zones the encircle the periphery of NPs for a distance of up to 3 km. This limited approach, particularly in the case of Hirkan, is due to the high incidence of inhabited enclaves inside the perimeter of the PA as well and adjacent to the PA borders. However, the project affords a major opportunity to demonstrate how sanitary zones, a new concept in Azerbaijan that awaits application, can be realised as sustainably managed land that buffers and provides protection and connectivity with core areas of high biodiversity.

137. Significant changes are as follows:

- ? Following a review of the threats, root causes and barriers, ?limited awareness? about the values of biodiversity, ecosystems and holistic landscape scale planning and management has been added to the barriers.
- ? Component 1 and its Outcome 1.1 remain essentially the same with respect to strengthening the enabling environment but the capacity building element (PIF Output 1.1.3) has been moved to Component 4. The introduction of a national ILM Strategy and Action Plan is considered to provide the cornerstone of the project (Output 1.1.1), which needs to be informed by ecosystems goods and services valuation of the PAs system (Output 1.1.2, formerly an activity under PIF Component 2) and needs to be a central thrust of the Communication Strategy and Action Plan (Output 1.1.3, previously PIF Output 4.3) in a targeted manner.
- ? The nuance of Component 2 has changed from improving national management capacity to having the tools and strategies in place to improve the management and financial viability of the PAs system as a whole. Thus, Component 2 no longer comprises two outcomes: (i) improved capacity to undertake PA management operations across the PA network and (ii) a sustainable financing for PA network secured and mobilized from the national and international community. These outcomes have been combined into a single

outcome on sustainable financing to support the expansion of the PAs system and institutional operational capacity, with three outputs that address sustainable financing (Output 2.1.1), an information platform for monitoring the PAs system (Output 2.1.2) and demonstration of best practice in participatory PA management planning within a landscape context (Output 2.1.3). The training programme element of capacity building has been moved to Component 4 (Output 4.1.1). Also, Output 2.1.2 addresses the need for both (i) monitoring systems of indicators that measure the condition of a PA and the effectiveness with which it is managed; and (ii) a web-based platform that provides access to such monitored data and information generated from them.

- ? Component 3 has been simplified and focuses on implementing the management plans developed under Output 2.1.3. Output 3.1.1 promotes more sustainable land use practices in the inhabited enclaves inside and/or around the periphery of the demonstration PAs, thereby reducing pressures on biodiversity; and Output 3.1.2 is designed to enhance local livelihoods through developing alternative or additional sources of income generation.
- ? Component 4 brings together capacity development, through a modular Landscapes and PAs Management Training Programme (Output 4.1.2), knowledge management and gender sensitive M&E through the population of the PAs Monitoring and Information System (PAMIMS) under (Output 4.1.1).

[1] Olson, D and E. Dinerstein, 2002. *The Global 200: Priority Ecoregions for Global Conservation*. Annals of the Missouri Botanical Garden 89: 199-224. **Note** that Caucasus-Anatolian-Hyrcanian Temperate Forests is one of 238 ecoregions included within the Global 200 list of priority ecoregions.

[2] Mittermeier, R. A., Robles Gil, P., Hoffmann, M., et al., 2004. *Hotspots: Revisited*. Cemex, Mexico. **Note** that biodiversity hotspots are considered to be the Earth's biologically richest places, with high numbers of endemic species. Such hotspots face extreme threats and have already lost 70% of their original vegetation.

[3] WWF 2008, *A Road Map for a Living Planet*.

[4] *Azerbaijan Fifth National Report* to the Convention on Biological Diversity, April 2014. **Note** that Azerbaijan lies at the junction of the Eastern Palaearctic, Turan, Mediterranean, Asia Minor and Middle East biogeographical regions and feature species of European, Central Asian and Mediterranean origin.

[5] IUCN Red List (January 2020), accessed via https://www.ibat-alliance.org/country_profiles/AZE (31 March, 2020). Caucasus Biodiversity Council, 2012 (revised and updated edition). *Ecoregion Conservation Plan for the Caucasus*.

[6] KBAs are sites that contribute significantly to the global persistence of biodiversity. They have been identified for birds by the BirdLife International Partnership, for Critically Endangered and Endangered species restricted to single sites by AZE and for other mammals, reptiles, amphibian, fish, invertebrates and plants by the Critical Ecosystem Partnership.

- [7] Total corrected for overlaps (120.73 km²) between different KBA types (BirdLife International, pers. comm. 6 May 2020).
- [8] <https://www.cbd.int/doc/world/az/az-nbsap-v2-en.pdf>.
- [9] This section in the PIF was based on previous analysis developed for the country's NBSAP. It has been revised/updated.
- [10] USAID (2010), *Caucasus Biodiversity Analysis Update for Azerbaijan: Prosperity, Livelihoods and Conserving Ecosystems*. Volume 1 of II.
- [11] <https://www.stat.gov.az/source/demography> (accessed 10 April 2020)
- [12] <https://www.stat.gov.az/source/environment/> (re-visited 19 August 2020)
- [13] National Forest Program, 2015-2030. <http://www.fao.org/forestry/39774-0e03f4576d53ec8aeeba6da1d02f63922.pdf>
- [14] See 3rd national report to UNFCCC as well as FAO report
- [15] T.S. Mammadov, and Sh. Balapour (2015), Climate Change Impacts on Azerbaijan Biodiversity in the Caspian Sea. *Procedia Environmental Sciences* 29 (2015).
- [16] MENR (2015), *Third National Communication to the United Nations Framework Convention On Climate Change, Republic Of Azerbaijan*. (unfccc.int/resource/docs/natc/azenc3.pdf).
- [17] World Bank (2014), *Building Resilience to Climate Change in South Caucasus Agriculture*.
- [18] The establishment and use of Special Funds and Resources of the Relevant Offices established for the Management and Protection of Specially Protected Natural Areas?, approved by Decision of the Cabinet of Ministers of the Republic of Azerbaijan No 134, dated 12 July 2005.
- [19]
- [20] The Law on specially protected natural areas recognizes a buffer zone of up to 3 kilometers along the perimeter of the PA. The buffer zone is called the "sanitary-protection zone" of the PA in the legislation. Specific activities such as regulated agricultural activities, using land for economic purposes (i.e. forage and pastures), monitoring activities, tourism and recreational purpose, sports and hunting, among others, are permitted in the buffer zone
- [21] https://www.researchgate.net/profile/Nugzar_Zazanashvili/publication/266383799_Ecoregion_Conservation_Plan_for_the_Caucasus_2012_revised_and_updated_edition/links/542e99df0cf29bbc126f2cbf/Ecoregion-Conservation-Plan-for-the-Caucasus-2012-revised-and-updated-edition.pdf?origin=publication_detail.

[22] We are using the definition of the IPCC of land use types, namely: Forest, Cropland, Grassland, Wetland, Settlements, and Other lands. Except for Aghgol National Park where there are no settlements, all of these land uses can be found within and in the buffer zones of the protected areas.

[23] The preliminary assessment showed that 484, 145, 192, and 2,835 ha of croplands were converted into ?Other lands? in Aghgol Goygol hirkan and Shirvan, respectively. This could mean that these agricultural lands were abandoned or no longer cultivated, but the assessment does not study the reasons behind these changes. This will be studied during the project preparation phase using more detailed assessments coupled with LADA local, SHARP, and EX-ACT (including value chain analysis).

[24] ?Other lands? includes bare soil, rock, ice, and all unmanaged land areas that do not fall into any of the other five IPCC categories. It allows the total of identified land areas to match the national area, where data are available. https://www.ipcc-nggip.iges.or.jp/public/gpplulucf/gpplulucf_files/Chp2/Chp2_Land_Areas.pdf.

[25] Follows the simplified JRC methodology. LPD is derived from NDVI product of MODIS/Terra Vegetation Indices 16-Day L3 Global 250m SIN Grid V006. LPD is a map of persistent decline/stress, stability and gain of land productivity, strictly during the observation period from 2001 to 2017 generated through the interaction of three NDVI-based indicators: Steadiness, Initial standing biomass, and Standing biomass at change . The processing chain is described the documentation appended to the PIF.

[26] Specially protected natural areas in Azerbaijan are categorized depending on their purposes, protection regime and usage features, and include: State natural reserves (as well as biosphere reserves); national parks; natural parks; ecological parks; state natural sanctuaries; natural monuments; zoological parks; botanical gardens and dendrological parks; healing-health improvement places and resorts.

[27] This includes scientific-research institutes, local executive bodies, Ministry of Internal Affairs, Ministry of Justice, and other related organizations.

[28] http://www.succow-stiftung.de/tl_files/pdfs_downloads/Buecher%20und%20Broschueren/MAVA.pdf

[29] http://www.az.undp.org/content/azerbaijan/en/home/operations/projects/sustain_development/Marine-ecosystem.html. A recent assessment of management effectiveness using the METT was carried out for protected coastal areas of Azerbaijan. This document is available as a supporting appendix.

[30] *Ibid.*

[31] Only shirvan has a METT reported (2013): <https://www.protectedplanet.net/shirvan-state-nature-reserve-state-nature-reserve>.

[32] Caucasus Nature Fund is currently exploring opportunities to support Azerbaijan's protected areas.

[33] Decision of the Cabinet of Ministers of the Republic of Azerbaijan No 134, dated 12 July 2005.

[34] FAO, 2017. *Landscapes for Life: Approaches to Landscape Management for Food and Agriculture*. 47 pp. <http://www.fao.org/3/i8324en/i8324en.pdf>.

[35] While in the long run the government aims to fully integrate landscape planning, at this stage the proposed project will largely focus on PAs and their surrounding buffer zones.

[36] Note that Gizil-Agach NP will be included in all project activities relating to ecotourism development because of its location between Hirkan and Shirvan NPs, providing the three NPs with an opportunity to explore synergies and work on a strategy to attract more visitors to southern Azerbaijan.

[37] Please refer to FAO's Land Resources Planning Toolbox ([link](#)) which includes (i) biophysical approaches (eg. land suitability and similarity analysis), (ii) biophysical, socio-economic and negotiation land resources planning tools (eg. LADA/WOCAT, PRAGA and other participatory mapping tools), and (iii) negotiated approaches tools (eg. participatory mapping and GeeNTD). The proposed project will focus on integrated biophysical, socio-economic and negotiation land resources approaches.

[38] This expansion of the PAs system refers to Azerbaijan's Aichi Biodiversity Target 11, cited in its 5th National Report to the Convention on Biological Diversity (2014): "By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes. The 17% target aligns well with the total area of KBAs, which amounts to 16.6% of the country, but whether or not the 17% target is based on KBAs is not known.

[39] **Note** that Decree 114 concerning the rules of use of special protected areas (i.e. NPs, strict nature reserves, sanctuaries etc.) is under review with respect to Economic Zones in NPs being leased for planting trees, in addition to the current provision for growing crops for up to a year. Opportunities arising from changes to the Decree should be reviewed during project inception

[40] <http://www.fao.org/climate-smart-agriculture-sourcebook/en/>.

[41] TJS, 2015. *Financial Participatory Approach for Socio-economic Development: Catalysing Local Initiatives for Protected Areas*, [<http://tjs-caucasus.org/wp-content/uploads/2015/03/FPA-Implementation-Toolbox-and-Manual.pdf>].

[42] Grasslands cover 4,612 ha, which amounts to 6.5% of the total area of Hirkan NP and its peripheral sanitary zone (refer to Hirkan land use map in Additional Annex 5a).

[43] Ramsar COP9 (2005), *National Planning Tool for the Implementation of the Ramsar Convention on Wetlands ? Azerbaijan National Report*, pp. 2-3.

[44] *Shirvan National Park, Shirvan Strict Nature Reserve & Bandovan State Sanctuary: Management Plan 2011-2015*, p. 55.

[45] FAO routinely reports on carbon captured/avoided emissions from the agriculture sector using EX-ACT. MRV systems can be developed at the request of the government and in coordination with the Forestry Department and the GEFID 9396.

[46] This can be done with SHARP or LADA Local and integrated with the monitoring systems based on Collect Earth and developed under Output 4.1.1. FAO began integrating these models with CACILM (GEFID 5000), which are now being tested in Uzbekistan SFM project (GEFID 9190). This approach is also proposed for land use planning in the FAO-led SFM-Drylands Impact Program.

[47] Strategy to take into account relevant policy/ legislation, such as: Decree No. 289 (March 6, 2000) "*On the implementation of the state policy regarding women in Azerbaijan*"; *National Plan of Action on Women Issues in the Republic of Azerbaijan*; and *Council of Europe Action Plan for Azerbaijan 2018-2021* regarding gender issues.

[48] A range of socio-economic activities (agriculture improvement and agro-ecology, livestock management, sustainable forest management, agro-forestry, tourism, Climate Smart Agriculture) may be supported.

[49] <http://www.fao.org/agroecology/home/en/>.

[50] <http://www.fao.org/3/a-i4009e.pdf>.

[51] Refer to Figure 4 for location of municipalities and to Additional Annex 4b for more details.

[52] This Ecotourism Strategy will build on the 2019 Ecotourism strategies developed for each of these NPs in southern Azerbaijan under the Transboundary Joint Secretariat (TJS) Phase III Project, as well as the Regional Guidelines for Ecotourism in Protected Areas. Note: ecotourism has been initiated in all three of these NPs, including the private sector enterprise operating in Shirvan in partnership with West Caspian University that is keen to engage with the project?

[53] FAO's Capacity Development Learning Modules comprise: 1. Basic Principles (FAO's framework for capacity development); 2. Programming (engaging with stakeholders and tracking capacity development); 3. Good Learning Practices (strengthening capacities of individuals to design and evaluate effective learning events and programmes; and 4. Organization Analysis and Development (strengthening capacities of organizations). Modules can be downloaded from: <http://www.fao.org/capacity-development/resources/fao-learning-material/learning-modules/en/>.

[54] Note that training of PA staff in use and updating of PAMIMS for individual PAs is included under Activity 4.1.2c.

[55] Note: More general, awareness-raising module(s) to be developed for PA/landscape stakeholders, focusing on existing and potential values of their respective land and water resources for conservation/sustainable use.

[56] To include leadership training and planning tools for community leaders (with emphasis on women), focused on leading processes to engage civil society in biodiversity conservation planning, using tools to establish shared goals.

[57] Action 6.4. Developing and effectively managing the protected areas and expansion of the current network

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

1. Shirvan National Park, Hirkan National Park and their surrounding landscapes have been selected as a pilot sites of the project. Both areas are Key Biodiversity Areas (KBAs) and as well as Important Bird Areas (IBA) designated by different international institutions.

2. Proposed areas are representing two different landscapes in general: semi-arid and forest land. But there are also several other ecosystems, such as wetland, steppe, coastal area, mountain and lowland forests. Besides, both parks have its own management challenges and both have different interrelation with surrounding human population.

3. Considering all above points together with beneficiaries it was decided that pilot activities and approaches developed for these parks will allow to further implement the similar measures in other protected areas of Azerbaijan.

4. Shirvan National Park (SNP) is situated about 100 km south of Baku, the capital of the Republic of Azerbaijan, on the coast of the Caspian Sea. Its territory covers most of the south-eastern part of the so-called Shirvan Steppe, which is, in fact, mainly a semi-desert. A few kilometres south of SNP Kura River and its mouth are forming the border to the so-called Mil Steppe. A highway of good quality is connecting Baku and SNP. This motorway forms the western border of the park over a distance of 15 km, and is passing the entrance gate of the park.

5. Shirvan National Park (SNP) was established on July 5th 2003. The area covers 54,373.5 ha. Attached are Bandovan State Sanctuary (4,930 ha) and Shirvan Strict Nature Reserve (6,232 ha), which are the predecessors of SNP. This system of protected areas is managed unified and called Shirvan Protected Areas (SPA). Geographic location of its central part is 49° 13' Longitude East and 39° 39'.

6. Main landscapes of SNP are semi-deserts, a steppe lake, sea coast and mud volcanoes. The main flagship species of SNP is the Goitered Gazelle. It is also the key attraction of SNP. Other attractions for visitors include the clean and natural landscape, long natural beaches, three active mud volcanoes, some historical, archaeological and spiritual sites, as well as a rich variety of many other species of mammals, birds, reptiles and insects. SNP is a popular destination for nature tourism and recreation.

7. Hirkan National Park was established on February 9th 2004. It is located in the south-eastern part of the Caucasus Isthmus, close to the Caspian Sea coast (the nearest point - 6 km) and constitutes the core section of the Talysh Mountains, southern part of which is located in Iran and

creates north-western end of Alborz Mountain Chain. Geographic location of its central part is 48° 41' Longitude East and 38°35' Latitude North.

8. The HNP covers 40,358 hectares of unique Hirkan forest ecosystems. These areas have served as a refuge to the large spectrum of flora and fauna, representative of the Talysh-Alborz Mountains (Hirkan bio-geographical province). It has provided protection to many rare and endangered species, relic species and species endemic to the Hirkan refugium (Talysh-Alborz Mountains) and the Caucasus.

9. Maps below shows the overall location of Shirvan and Hirkan National Parks in Azerbaijan and their sanitary protection zones where the planned activities will be implemented. Number of additional maps were prepared and will be used during implementation stage. More detailed maps are provided in Annex E.

Figure 1: Overall location of Shirvan and Hirkan NPs in Azerbaijan



Figure 2: Shirvan NP and its sanitary protection zone

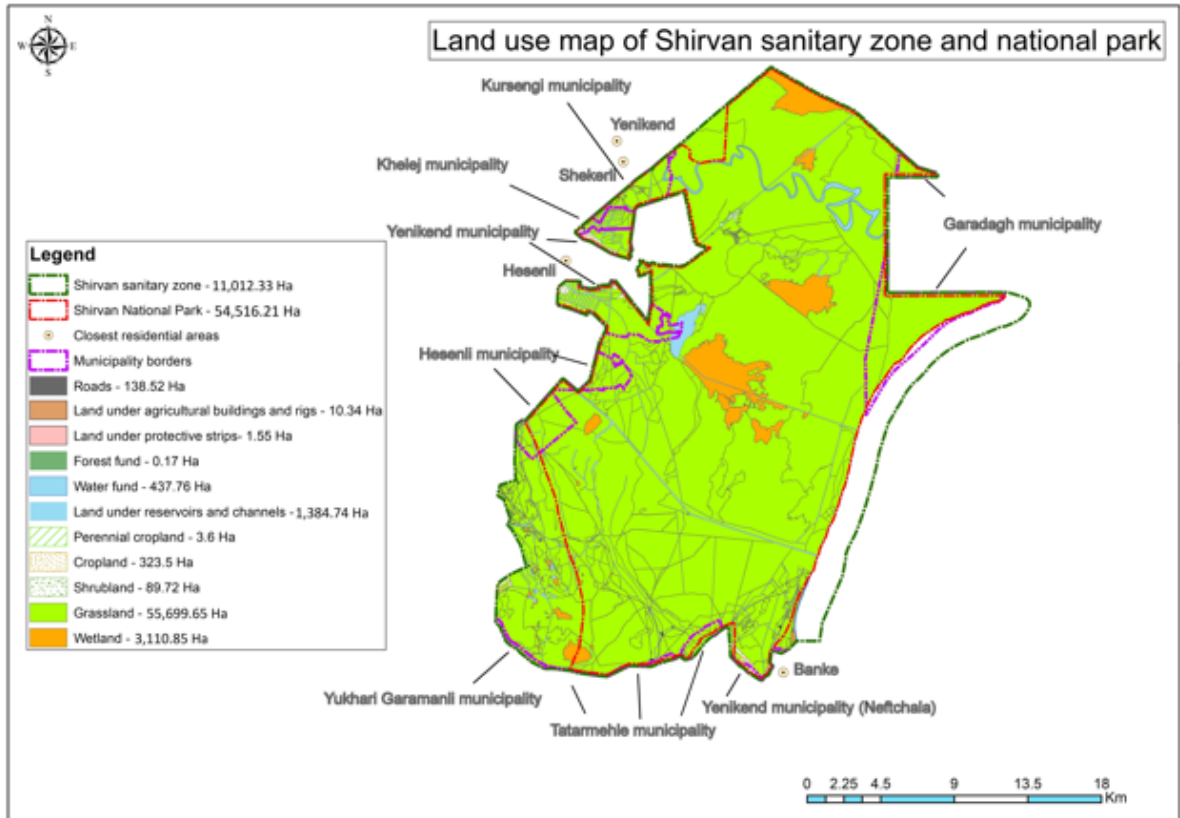
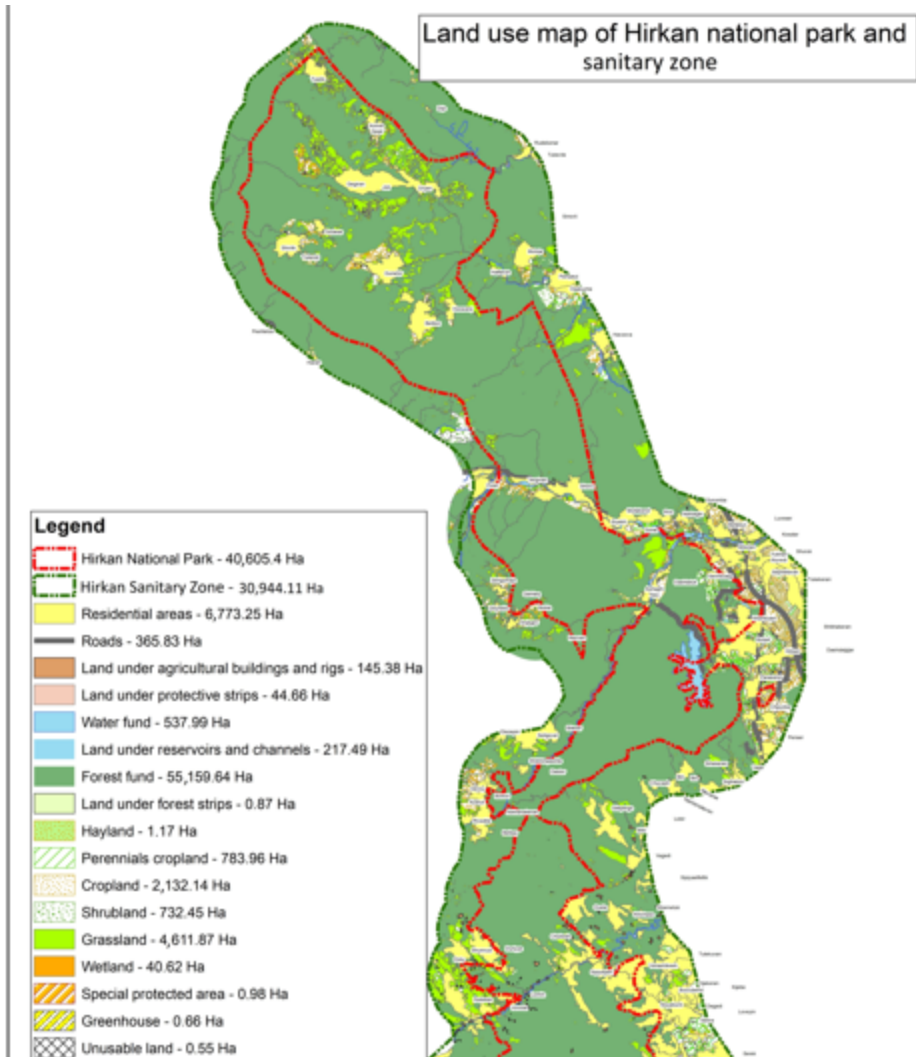


Figure 3: Hirkan NP and its sanitary ? protection zone



1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

N/A

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why: No

Please provide the Stakeholder Engagement Plan or equivalent assessment.

1- Stakeholder description

Stakeholder	Stakeholder engagement during project preparation		
	Engagement method	Role during project Implementation	Materials to be used /Responsible organization
Ministry of Ecology and Natural Resources	Participate in consultation on PA strategy development and planning issues, obtaining available statistical information. They will organize a closer discussion of key issues and present their proposals on access ways.	Direct beneficiary. Lead project design Decision making Proposal drafting	Related officials of respective departments, project leaders
Ministry of Agriculture	Participate in consultation in development of landscape management approach	Project Partner. Participate in project preparation and implementation	Related officials of respective departments, extension services
State Committee on Property Issues	Participate in consultations related to property rights at buffer zones and PA's border areas	Project Stakeholders. Participate in project preparation and implementation	Related officials of respective departments, particularly on land use planning
State Tourism Agency	Participate in consultations related to development and improvement of tourism opportunities within and around the protected areas	Project Stakeholders. Participate in project preparation and implementation	Related officials of respective departments, particularly on eco-tourism and nature based tourism
National Parliament	Participate in consultation on national strategy development of PAs and its legislative framework, including buffers zones	Project Stakeholders. Participate in project preparation and implementation	Related officials of respective commissions

Local Executive Powers	Participate in consultation on integrated management approaches and development of market products for local communities	Project Stakeholders. Participate in project preparation and implementation	Related officials of respective departments and divisions
Local municipalities	Will be involved to the design of approach of building local capacities on landscape management, participatory approach on PA management plans development, as well identification of options on alternative income options around surrounding local communities	Project Stakeholders and direct beneficiaries of training programs. Key line of entry regarding work with local communities. Participate in project preparation and implementation	Municipal members, leaders
Local Communities	Local communities will present proposals on mutually beneficial cooperation with more Protected Areas. They will also be involved in the identification of conflict areas and the study of the problems	Potential project beneficiaries Preparation of projects that support sustainable development and inclusion in management plans	-Face-to-face consultations with community leaders (in local language). -Round tables - Consultations with women's groups
Civil Society and Non-governmental organizations	They will mainly involved into preparation of participation of activities related to liberal environmental policy in conflict areas and as well as for data sharing	Preparation of proposals on mediation between protected areas and relevant stakeholders	-Workshops - consultation meetings
International organizations	Financing and implementing organisations in regions such as, UNDP, WB, KfW, GIZ and others will be engaged to ensure continuing coordination between initiatives and cost sharing.	Potential project partners. Preparation of initiatives, joint training programs, activities related to integrated management of PAs	-Workshops - Consultation meetings
Private Sector Entities	Support for Preparation of Marketing products, trainings on tourism activities of community	Potential project beneficiaries. Preparation of marketing-based proposals, support for training materials	-Workshops -Consultations

2- Stakeholder Engagement Matrix

Stakeholder Consultation in project formulation^[1]

Stakeholder Name	Stakeholder Type	Stakeholder profile	Consultation Methodology	Consultation Findings	Date	Comments
Ministry of Ecology and Natural Resources	Direct beneficiary	<i>National Government Institution body</i>	<i>Consultation and coordination meetings Regular information exchange Progress reports Official letters</i>	<i>As a main beneficiary of the project MERN fully supported project team during the formulation stage and provided all available support including, staff time and data during the process</i>	<i>On a regular bases during the project formulation stage</i>	<i>Meetings were held at different levels, including meeting with Minister, head of relevant departments and as well as meetings with specialist to discuss particular technical questions</i>
Ministry of Agriculture	<i>Partner</i>	<i>National Government Institution body</i>	<i>Consultation meetings; Regular information exchange Official letters</i>	<i>MoA provided support as necessary during the formulation stage. Integrated management approach will require their strong involvement in development and implementation of necessary activities and MoA ensured full support on this regard.</i>	<i>On a regular bases</i>	

<p>State Tourism Agency</p>	<p><i>Partner</i></p>	<p><i>National Government Institution body</i></p>	<p>Consultation meetings; Data exchange</p>	<p>STA is newly established government institution responsible for the development of tourism in Azerbaijan. They have dedicated divisions working on eco-tourism covering the NPs as well. They have identified tourism hot spots and current project sites are among those potential sites. During the consultation STA mentioned their high interest in partnership and this is excellent opportunity to ensure the sustainability of the actions developed for the improvement of socio-economic situation of local communities (through tourism)</p>	<p>24 February 2020 Information exchange on a regular bases</p>	
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<p>Local Executive Powers (Salyan, Neftchala, Lenkaran and Astara districts)</p>	<p><i>Indirect Beneficiary</i></p>	<p><i>Local Government Institution/body</i></p>	<p><i>Consultation meetings Regular exchange of information on progress</i></p>	<p><i>During the meetings Local Executive Powers? management showed high interest to the project and mentioned that proposed activities will play crucial role in development of livelihood of the local communities without harming the natural resources. In addition they mentioned that district administrations are ready to include developed proposals into their work plan and provide all necessary support during the implementation of project</i></p>	<p><i>6 November 2019 7 November 2019 10 December 2019 11 December 2019 27 February 2020 28 February 2020</i></p>	<p><i>Project pilot sites are Hirkan and Shirvan National Parks. Shirvan NP is located within the administrative border of Salyan and Neftchala districts. Hirkan NP is located within the administrative border of Lankaran and Astara districts.</i></p>
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<p>Local municipalities and communities</p>	<p><i>Other</i></p>	<p><i>Local community</i></p>	<p><i>Face to face meetings Consultation meetings with groups at different levels</i></p>	<p><i>Regular meetings were conducted with local communities living around both NPs in order to collect data, their thoughts and feedbacks on project document. Minutes of all meetings were prepared and considered during formulation process.</i></p>	<p><i>On a regular bases</i></p>	
<p>NGOs</p>	<p><i>Partner</i></p>	<p><i>Non-Governmental Organization</i></p>	<p><i>Consultations Information exchange</i></p>	<p><i>As a result of regular consultations and dialogue with NGOs number of materials including baseline data on biodiversity indicators, information about communities and etc. were collected and used during the project formulation. NGOs also expressed their wish to support and corporate during project implementation phase</i></p>	<p><i>On a regular bases</i></p>	<p><i>WWF, IDEA, AOS, Ecosfera, REC Caucasus were consulted and they are potential partners during the project implementation phase</i></p>

International organizations and funds	<i>Other</i>	<i>International Government Institution/body</i>	<i>Consultation meetings Information exchange</i>	<i>International institutions were consulted in order to share experience and lessons learnt on similar projects and as well to share available data to be used mainly as a baseline information. Also it was important to identify potential co-finance possibilities.</i>	<i>Inception workshop (05 September 2019) On a regular bases at the early stages of project formulation;</i>	
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[1] See [FAO Operational Guidelines for Stakeholder Engagement](#)

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Stakeholder Consultation in project Implementation[1]

Stakeholder Name	Stakeholder Type	Stakeholder profile	Consultation Methodology	Expected timing	Comments
Ministry of Ecology and Natural Resources	Direct beneficiary	<i>National Government Institution body</i>	<i>Consultation meetings Workshops/trainings Progress reports Official letters PSC Working Groups</i>	<i>On a regular bases</i>	
Ministry of Agriculture	<i>Partner</i>	<i>National Government Institution body</i>	<i>Consultation meetings Workshops/trainings Progress reports Official letters PSC Working Groups</i>	<i>On a regular bases</i>	

State Committee on Property Issues	<i>Other</i>	<i>National Government Institution body</i>	<i>Consultation meetings Data exchange</i>	<i>On a regular bases</i>	
National Parliament	<i>Other</i>	<i>National Government Institution body</i>	<i>Consultation meetings and discussions</i>	<i>During development of legal and regulatory documents</i>	
State Tourism Agency	<i>Partner</i>	<i>National Government Institution body</i>	<i>Consultation meetings and discussions</i>	<i>On a regular bases</i>	
Local Executive Powers	<i>Indirect Beneficiary</i>	<i>Local Government Institution/body</i>	<i>Consultation meetings Progress reports Official letters</i>	<i>On a regular bases</i>	
Local communities	<i>Other</i>	<i>Local community</i>	<i>Consultations and discussions Workshops/trainings</i>	<i>On a regular bases</i>	
Local municipalities	<i>Partner</i>	<i>Local Government Institution/body</i>	<i>Consultation meetings Workshops/trainings Official letters</i>	<i>On a regular bases</i>	
Civil society	<i>Partner</i>	<i>Civil Society Organization</i>	<i>Consultation meetings Workshops/training Progress reports</i>	<i>On a regular bases</i>	
NGOs	<i>Partner</i>	<i>Non-Governmental Organization</i>	<i>Consultation meetings Workshops/training Progress reports Data exchange</i>	<i>On a regular bases</i>	
International Organizations	<i>Partner</i>	<i>International Government Institution/body</i>	<i>Consultation meetings Workshops/training Progress reports Data exchange</i>	<i>On a regular bases</i>	
Private sector	<i>Partner</i>	<i>Other</i>	<i>Consultation meetings Workshops/training Data exchange</i>	<i>On a regular bases</i>	

[1] Please include identification and consultations of disadvantage and vulnerable groups/individuals in line with the [GEF policy on Stakeholder Engagement](#) and [GEF Environmental and Social Safeguard](#).

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor; Yes

Other (Please explain)

1. During project preparation, several consultations were held with diverse stakeholders, government agencies, NGOs, donors etc. Based on the feedback received from these and from the inception workshop during project preparation, the stakeholders were identified to play different roles in the project are detailed in Table 7.

2. The project will work closely with a wide range of stakeholders including national and local government agencies, universities, research institutions, civil society organizations, private businesses, local communities and residents living around both pilot National Parks. The MENR will be the main partner for project execution. Ministry of Agriculture will be another important stakeholder at national level being main responsible body for the management of land directly outside of the protected areas boundaries, including sanitary protection zone.

3. At local level project team will work very closely with Park management and as well as with local executive power administration and municipalities to ensure the sustainability of project achievements and as well to ensure the involvement of local people living around project sites at all stages of the project implementation. Below paragraphs describe stakeholders and their overall involvement into the project execution in general.

4. Following paras describe the overall roles and responsibilities of involved stakeholders into project implementation:

5. Ministry of Ecology and Natural Resources (MENR): MENR will be main institution implementing the project at the national level and also together with FAO to ensure overall coordination among all other stakeholders through the Project Steering Committee (PSC) and Working group. MENR will ensure close links with national institutions and government activities via Focal Points from each participating organization. MENR also responsible for the development and implementation state policies and programmes as well as relevant legislative documents related to PAs. Therefore all prepared documents submitted for endorsement or for clearance to government will be done through them.

6. Ministry of Agriculture (MoA): MoA is another main implementation partner as an institution responsible for the management of agricultural lands outside of the protected areas. MoA will support development and implementation of integrated management approaches. MoA will be represented in PSC and will be involved into all major decisions related to project.

7. State Committee on Property Issues (SCPI): SCPI is responsible authority for the mapping and cadaster of all land properties in Azerbaijan. Their role will be crucial in determining exact boundaries of buffer zones and regular consultations and meetings will ensure project team to follow all required rules and regulations during the project implementation stage.

8. National Parliament: Relevant Commissions under National Parliament will be consulted during the development of legal and regulatory documents mainly related to buffer zones and as well as related to development and adoption of documents related to integrated management approaches in PAs.

9. State Tourism Agency of AR (STA): State Tourism Agency is responsible institution for the development and implementation of tourism strategy, including eco-tourism and defining nature tourism destinations in Azerbaijan. Consultations during project development stage revealed that pilot sites are also included into future plans of STA therefore their involvement is important and will further strengthen and ensure the sustainability of activities related to tourism and improvement of socio-economic situation of the people living around the PAs through integrated management approaches.

10. Local Executive Power Offices: Role of Local Executive Power offices are extremely important for the successful implementation of project activities. Senior management showed their interested and strong support during the project development stage. They will be mainly involved into design and development of landscape approaches and will include project proposals into their short and long term programme for the development of regions in Azerbaijan. This will ensure the sustainability of project results.

11. Local municipalities and communities: Local municipalities are special groups in this project as they will be directly involved into the design of approach of building local capacities on landscape management, participatory approach on PA management plans development, as well identification of alternative income options around surrounding local communities. Especially in Hirkan NP number of local municipalities are located as an enclaves within the boundaries of NP and highly depending directly from the natural resources or indirectly through provided ecosystem services. Therefore their involvement into participatory management will be ensured and strengthened.

12. Civil society and Non-governmental organizations: Key non-government stakeholders include international, regional and national NGOs such as, REC Caucasus, WWF Azerbaijan, International Dialogue for Environmental Action (IDEA), EcoSfera, Azerbaijan Ornithological Society (AOS) and others. These have all been involved in delivering and coordinating different project components in baseline projects and have developed methodologies and approaches that will be shared with the project, particularly in biodiversity monitoring, communications, community monitoring and information sharing and advocacy. In addition their role will be also important for monitoring and evaluation of project activities.

13. International organizations and funders: They will be regularly consulted and opportunities for further cooperations will be discussed. Their experience in implementation of projects in

Azerbaijan on PAs and in general natural resources management will be highly valuable for the successful implementation of the project. UNDP, GIZ, EU and others are the main institutions involved into different projects related to biodiversity and protected areas in Azerbaijan.

14. Private sector: Private sector will be mainly involved to support preparation of marketing products, trainings on tourism activities for the local communities. Azerbaijan government is providing all necessary support to engage private sector into various fields including management of natural resources. Therefore involvement of private sector will be very important and will have additional value to the successful implementation of project.

15. A stakeholder engagement plan has been developed and attached as Annex I.

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assessment.

1. Land degradation has a significant gender dimension. When land is degraded and usable land becomes scarce, women are uniquely and differentially affected given their dependence on the land for food and income as well as their role in sustainable land management - as homemakers, farmers, and land managers. Despite their reliance on natural resources, moreover, and the extent to which they serve as environmental stewards, women tend to be excluded from public conservation and land management planning and policymaking processes. To gain an understanding of the respective roles, interests, and needs of women and men in the project's two main pilot areas, project preparation included a qualitative gender assessment. The following are the main findings that are most relevant to the proposed project.

? *Notwithstanding the country's constitution, laws, and other measures aimed at gender equality, gender stereotypes persist.* Traditional rules and customs continue to control women's access to natural resources and economic opportunities. Although women may be consulted, men are the main decision-makers on household expenses and livelihood activities, while the burden of domestic responsibilities falls almost exclusively on women and girls. Women are responsible for all non-paid domestic activities (that is, cooking, cleaning, washing, childcare, and care of the elderly and infirm) that contribute to a household's wellbeing. These roles, however, can vary according to an individual household's circumstances. For example, women assume more responsibilities when men are absent or migrate to earn more income for the family, leaving the women responsible for both domestic work and earning income outside the home to support the family. The implication for the project is that even when a woman is the family's main decision-maker, she may have too little time and too many care responsibilities to meet project expectations related to SLM.

- ? In recent years, attitudes about gender roles have been shifting gradually, especially in the communities surrounding Shirvan National Park. During community meetings in this area, more than half of the men and three quarters of the women believed that men should share the housework (doing dishes, cleaning, and cooking), and almost all of the meeting participants agreed that providing day-to-day care for children is as important as providing for them financially. These views represent entry points for project interventions aimed at changing attitudes regarding men's and women's roles in household tasks and caregiving. However, there were competing views on this point. For example, it was noted that that men lack the skills to take care of babies. Approximately three-quarters of the men and women agreed with that view, and highlighted the need for this shortcoming to be addressed first before significant changes could be expected.
- ? *In both project areas, both men and women earn income from agriculture, agricultural services, and animal husbandry.* Other sources of income include fishing (Shirvan) and local tourism (Shirvan and Hirkan). According to municipal data, men in the affected Hirkan communities tend to dominate in the areas of farm operations and animal husbandry. Women earn most of their income from milk production, vegetable growing, cotton growing, and fruit growing. In some of the municipalities within or surrounding HNP, the entire family takes care of the citrus trees as well as the harvesting and processing of agroforestry products, although women are mainly in charge of the tree nurseries. In some Hirkan districts (Astara and Larkaran), more women than men earn income in the tourism sector largely as seasonal workers, cleaners, and dishwashers. Although young people leave their communities seeking higher education in Baku and other cities, many return to find work. Thus, the project will need to address the needs of unemployed young women and men as well as those interested in pursuing alternative higher paying livelihoods.
- ? *Although women own and operate farms, they are not as likely as men to have received a credit or use farm equipment.* In all 11 municipalities adjacent to or located within HNP, half of the respondents are employed as farm owners were women, but only one quarter of these women had received a credit or used farm equipment. They also are less likely to be involved in the processing and commercialization of agro-products. During interviews, the women who are interested in developing farm-related enterprises identified the following barriers: lack of financial support, lack of knowledge about the rules of trade and commercialization, and limited training opportunities to acquire these skills. The findings were the same among respondents living in communities adjacent to SNP. Thus, in both areas, the project will finance training and other capacity building to expand women's access to training, new technologies and equipment, and other time-saving agricultural inputs.
- ? *Women are interested in entrepreneurship but face significant barriers when attempting to start their own business.* When interviewed, the women revealed that they are interested in starting their own business because they want to: have their own income, become their own boss, pursue personal growth and satisfaction, or avoid the difficulties they usually encounter in finding a job. When asked why they do not currently own a business, they cited the lack of family support for their decision, access to capital, and information about the steps involved in

developing a business plan and then operating a business successfully. Although the Government has taken steps to simplify procedures for registering new businesses, rural women are generally not accustomed to dealing with government officials and are concerned about dealing with them after registration. Thus, project-financed training and other capacity building in developing and operating a business will aim at helping women succeed in the business environment.

- ? *Women do not hold positions of authority in national park management.* Despite their knowledge of land and other natural resources, there are no women on the staff of any national park in Azerbaijan who is dealing with park protection and patrol. Moreover, there are no women national or community rangers in either HNP or SNP. To improve national park management while promoting gender equality, implementation of the project will aim at: (a) creating opportunities for women to participate in decision-making related to national plans, strategies, and policies affecting protected areas management, (b) hiring women to fill roles as park rangers, and (c) providing women and men with gender sensitivity training.

- ? Women living inside the protected areas versus those living in the buffer zones differ regarding their roles in local land management decision-making. In the buffer zones surrounding SNP, for example, women hold positions in the municipal government and the local community. By contrast, the Talysh[1] women living in the communities within HNP have few opportunities to participate in local decision-making. Thus, their perceptions and interests normally are not considered. The lack of opportunity to participate is often due to cultural restrictions or women's lack of formal education, particularly in the more isolated mountainous areas. In other cases, logistical reasons are an important factor; decision-making meetings take place at inconvenient times or in locations where women could not easily travel. Taking these circumstances into account, project implementation will include measures to facilitate women's participation in project-related planning and decision-making (for example, scheduling meetings and training at times when women can participate; providing childcare; and if needed; holding women-only meetings).

- ? Both men and women in rural communities lack knowledge about modern agricultural production practices and technologies, and have difficulty identifying opportunities and preferences for improving livelihoods and income generation activities.[2] Thus, it will be important to work closely with women and men in the two project areas to learn what types of sustainable livelihoods they are interested in as an alternative to their current income generating activities that place excessive pressure on natural resources, and to determine the types of information, training, and support they need to pursue them (for example, up-to-date information and training in modern agriculture production, training in marketing and negotiation skills, and training in developing a business plan). Gender sensitization activities will accompany this training because community members continue to hold traditional views on gender roles. Special consideration also will be given to youth unemployment by identifying opportunities that would encourage young women and men to remain in their village and start new community-based enterprises.

? *Talysh women living in the remote far northern villages within Hirkan National Park face more barriers than those in the south.* In these areas, local traditions guide the way of life. Talysh girls normally receive only up to a secondary education, and are not allowed to pursue a college education, or professions other than agriculture or handicrafts. By contrast, the Talysh women in the communities further south are more active, communicate freely around men, and do not face the same restrictions as those in the north. **To address these differences, the project will include measures to understand and respond to the special needs of the villagers in the northern part of HNP to ensure their participation in project benefits.**

2. Due to the COVID-19 pandemic, additional fieldwork could not take place as planned during the last few months of project preparation. Thus, it will be the responsibility of the Project Director and PMU gender specialist to arrange for the completion of the gender assessment. The additional fieldwork will include both quantitative and qualitative methods to: explore further some of the gender gaps raised above; identify issues associated with vulnerable men and youth; determine farmers' willingness to participate with project activities; identify preferences for an alternative livelihoods and training needs; and solicit views relating to project objectives. The quantitative data obtained will be used as baseline indicators for the project's final results framework and monitoring and evaluation plan.
3. Addressing Gender Gaps and Promoting Women's Empowerment. The project considers gender mainstreaming as central to its success. Thus, to achieve project objectives and promote gender equality, project implementation will pursue a gender-sensitive approach by: making every effort to ensure that women participate equally with men in all **project activities, and by raising awareness about gender issues among the participating ministries and local governments.** In accordance with the GEF Gender Policy (2017), a Gender Action Plan (GAP) was prepared for the project.^[3] The GAP builds on the above findings and **aims at:** (a) improving women's participation and decision-making related to SLM at both the national and local levels; (b) improving women's capacity for sustainable land management and agricultural practices; (c) generating socio-economic benefits or services to improve livelihoods for women and men, including promotion of women and youth entrepreneurship; (d) building capacity of the implementing institutions to mainstream gender considerations; and (e) enhancing gender monitoring, evaluation, and reporting of gender outcomes. Table below summarizes the main project activities that can achieve both project and GAP objectives. Annex 5 presents a more detailed summary of the gender assessment and the GAP.

Table 1: Project contributions to closing gender gaps and ensuring benefits for women

GAP Objectives	Main Component Activities
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<p>Improve women's participation and decision-making related SLM at national and local levels</p>	<ul style="list-style-type: none"> ? Component 1 (1.1a) Include women as members of the Task Force responsible for overseeing development of the National Integrated Landscape Management Strategy and Action Plan (ILMSAP). ? Component 1 (1.3b) Include women and men in committee responsible for drafting Integrated Landscape Management Communications Strategy and Action Plan (ILMCSAP). ? Component 2 (1.1) Ensure that women and men participate in consultation workshops in developing the Sustainable Financing Strategy and Action for PAs system. ? Component 2 (1.2f) Ensure that women and men provide feedback on prototype design of participatory, user-friendly monitoring and information management platform for PAs system. ? Component 2 (1.3a) Ensure women and men participate in preparation of participatory management plans for the target PAs and their buffer zones. ? Component 3 (1.1d) Ensure women in Hirkan NP are included as permanent committee members responsible for promoting and formulating Enclave Plans (EPs), either at Community (CEPs) or Municipality (MEPs) level. ? Component 3 (1.2e). Facilitate women's and youth membership in the cadre of Community Rangers to be established within each target PA that complements the work of NP Rangers, and include gender-sensitive training.
<p>Improve women's capacity for sustainable land management and agricultural practices</p>	<ul style="list-style-type: none"> ? Component 3 (1.1) Involve women-owned farms in demonstrations of participatory community-based integrated landscape management in the two target PAs, adjacent production systems, and buffer zones . ? Component 3 (1.1b) Establish a strategy and implement an action plan to strengthen/develop the capacity of women to engage in ILM practices. ? Component 3 (1.2 c) Improve value chains and market access for non-wood forest products in Hirkan communities targeted especially at increasing the capacity of women to process and market goods through training under Component 4. ? Component 4 (1.1) Encourage and facilitate women's and men's participation in project-related training workshops, demonstration activities, farmers field schools, and management committees

<p>Generate socio-economic benefits or services to improve livelihoods for women and men, including promotion of women and youth entrepreneurship</p>	<p>? Component 3 (1.2) Establish gender-specific groups to: identify and support potential women entrepreneurs through training in developing business plans and marketing strategies; examine specific roles for women in the improvement and/or creation of agricultural/agro-forestry schemes; and identify opportunities for women to develop new sources of supplementary income such as in craft making and tourism initiatives.</p> <p>? Component 3 (1.2a) Ensure women and youth provide input to the regional community-based Ecotourism Strategy and Action Plan for PAs</p> <p>? Component 3 (1.2c) Improve value chains and market access for non-wood forest products in Hirkan communities targeted especially at increasing the capacity of women to process and market goods through training opportunities under Component 4.</p> <p>? Component 4 (1.1) Ensure women's groups have access to training in business management, value chains, and marketing to support their adoption of ILM and development of alternative livelihood opportunities.</p>
<p>Build capacity of implementing insitutions to mainstream gender considerations into the project</p>	<p>? Component 4. (1.3b) Recruit a gender expert to train project staff on gender equality during project inception; provide technical support to integrate gender into project Training Programme and training materials and project implementation plans; advise on gender mainstreaming; coordinate the work of the Gender Focal Points (GFPs) in the two project areas, and oversee M&E of the gender aspects of the project and GAP.</p> <p>? Component 4 (1.2) Raise awareness of gender issues in participating ministries and local governments by including women in demonstrations, training, and other capacity building activities.</p> <p>? Component 4 (1.3b) Assign GFPs to implement the GAP in each project area.</p>
<p>Incorporate attention to gender in project monitoring and evaluation</p>	<p>? Component 1 (1.3a) Use Knowledge, Attitudes, and Practices (KAP) survey to complete gender analysis and incorporate baseline data and findings into Results Framework.</p> <p>? Component 4 (1.3a) Incorporate baseline gender data into project M&E plan.</p> <p>? Component 4 (1.3) Include both women and men in participatory project monitoring and evaluation. GFPs will plan and ensure their participation.</p>

4. During project implementation, efforts will be made to inform women and to support interventions that will contribute to inclusion of women in governance of land resources, allow access to, and support their involvement in, the management of SLM actions. Under component 3, the project foresees the implementation of productive activities in the buffer zones, which could result in an

increase in household incomes both through cost reductions and productivity increases. Other opportunities will be explored to increase employment opportunities in rural areas and contribute to reducing rural migration. Project investments will be targeted through group structures that could enhance social development in participating rural communities. In addition, the project will raise awareness about gender issues in participating ministries and local governments by including women in all activities, including demonstrations, training, and other capacity building activities.

5. The project is fully in line with the goal of FAO's Policy on Gender Equality (2013) to achieve equality between women and men in sustainable agricultural production and rural development for the elimination of hunger and poverty. Specifically, the project is designed to ensure that (a) women are encouraged and enabled to participate equally with men as decision-makers in rural institutions and in shaping laws, policies, and programmes; (b) both sexes should have equal access *to* and control over decent employment and income, land, and other productive resources; (c) women and men should have equal access to goods and services for agricultural development and to markets; and (d) women's work burden should be reduced through improved technologies, services, and infrastructure.

[1] The Talysh are an ethnic group living in the South Caucasus region near the Iranian border. The group lived in southern Azerbaijan for centuries mostly in farming communities centered around remote villages.

[2] Mehdiyeva, Gurel (FAO), Findings of Socioeconomic and Gender Analysis, 2018.

[3] Please refer to [GEF Gender Equality Guidelines](#), [Guide to mainstreaming gender in FAO's project cycle](#), [GEF Gender Guidelines](#).

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources;

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

1. Azerbaijan has made tremendous efforts in making broad-based reforms and institutional restructuring to ensure effective participation of the various stakeholders in the management of the natural resources. The private sector in Azerbaijan, specially oil companies, have invested in areas such as conducting ecological research and monitoring, environmental education, infrastructure development, law enforcement and re-introduction and management of game. However, the degree of private sector involvement has been limited to a few stakeholders: those directly or indirectly affected by wildlife, those deriving benefits from wildlife such as tourism companies, and those with vested interests in wildlife conservation such as conservation organizations and "green companies". Private investments have focused on specific individual protected areas according to the particular interest of the private investor.

2. Even though the government has put in place institutional arrangements, incentives and mechanisms to attract private investments and ensure that investments benefit protected areas, these are still in their infancy. While there is high potential for private sector investments to support protected areas, most private investors are trapped in a dilemma on how they can invest in

protected areas. This project seeks to develop under Component 2, a financing strategy for the PA system, and the private sector will be a key player.

3. To date, private sector engagement in PA management in Azerbaijan has been through:
 - ? promotion of environmental education and NRM, as in the case of Ecosfera and REC Caucasus in Shirvan, Hirkan, and Goygol NP, typically via resources from Corporate Social Responsibility funds;
 - ? Promoting Participation of Local Communities in Managing Natural Resources, where local communities actively participate in NRM and undertake entrepreneurship activities within or on the periphery of the protected areas
 - ? Some private companies and individuals have provided support for the construction and management of infrastructure (visitor centers, student hostels, construction and maintenance of fences, trails, among others;
4. Finally, the project **will engage other private sector stakeholders such as farmers and small-holders** located in the buffer zones to reduce pressures on the protected areas. This will be done by including them in the planning processes and in the co-management of the respective PA (where the conditions exist/are developed). The project will make an effort to improve productive practices, and beneficiaries are expected to provide co-financing (including in-kind). In addition, the project will ensure local farmers are aware of the ecosystem services provided by the PAs as financing opportunities for the system are explored. As part of the promotion of alternative livelihoods to reduce pressure on land and forestry resources in the PAs, the project will attempt to bring successful small business owners to partner with young women and men as well as local farmers and/or craftspeople to support them in developing new enterprises

Section 1: RISKS

1. Risks and mitigation measures to counteract external risks

External risks to the project will be addressed through the project's M&E system during the project implementation. This M&E system intends to ensure regular assessment of whether these risks have changed in order to take appropriate corrective and mitigation actions to eliminate risks and prevent from recurring. Multi-stakeholder collaboration and partnerships will be employed to support the risk management activities.

Table 1: Risks and mitigation measures table

N	Risk type	Risk Level (Low, Medium, High)	Probability of occurrence (L, M, H)	Degree of incidence (L, M, H)	Countermeasures/ Management Response	Responsible party
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1	Lack of close and collaborative cooperation and coordination between key institutional stakeholders	M	M	M	<p>Close and collaborative cooperation between multiple institutional stakeholders will be essential for the project to achieve its stated goal and objectives. This will be achieved through early involvement of all stakeholders; establishment of project implementation working group, and the project steering committee. A communication and outreach strategy will be evolved to reach out to the stakeholders, and, regular meetings and presentation of the project results in different phases of the project implementation will be organized to ensure collaborative cooperation between key institutional stakeholders.</p> <p>All new measures developed by the project will be followed-up by training and awareness-raising activities that will involve all relevant stakeholders directly affected to ensure that good practices are disseminated and later on applied by them in Azerbaijan.</p>	MENR/FAO
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2	Lack of institutional clarity, roles and responsibilities among governmental agencies at different levels	M	L	M	Clear division of functions and responsibilities between the different institutions involved, including active engagement of institutions or particular bodies responsible for PAs in Azerbaijan, is considered as a high priority for the project. Moreover, the project intends to support strengthening of policy, regulatory and decision-making frameworks at different levels to ensure the long-term sustainability of project results and outcomes beyond the project life.	MENR/FAO
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3	Limited support and implementation capacity at the national level	L	M	L	<p>The weaknesses and gaps in capacity will be addressed through (i) encouraging working in partnerships with diverse stakeholders; and (ii) identifying the capacity gaps and taking corrective actions; and (iii) development of a capacity building programs and training during the project, by considering specific needs of stakeholders; as well as (iiii) establishment of the National Information-Sharing Forum.</p> <p>Progress of capacity development initiatives will be regularly reviewed by PSC. Moreover, project progress will be regularly monitored, and necessary corrective actions will be taken as necessary.</p>	MENR/FAO
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4	Natural disasters	M	M	M	<p>Natural disasters such as droughts, floods, landslip, snow-slip, and erosion will be considered by Project experts as factors leading to environmental degradation due to direct or indirect impact on biodiversity, therefore, regular disaster risk assessments and monitoring indicators will be proposed in the management plans of PAs in order to decrease the impacts of natural disasters.</p>	MENR/FAO
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5	Climate change modifies habitat conditions in PAs	H	HM	M	<p>Monitoring and research activities will be included in the project to explore potential climate change impacts and suggest ecosystem-based adaptation/restoration measures to enhance ecosystem's resilience to climate change.</p> <p>The ecosystem-based adaptation/restoration measures to be undertaken through the project will serve in part to reverse the habitat degradation which may be exacerbated by climate change: the restoration strategies themselves will be designed to take into account a range of climate change scenarios, rather than solely the current conditions in the areas.</p> <p>Similarly, providing support to local communities through sustainable/alternative livelihoods will enable them to better cope with climate-induced impacts and risks. Additionally, the following measures will be in place to minimize, ameliorate the effects of climate-induced changes on ecosystems, such as (i) development of proposals on the protection of biotopes (analysing/identifying ecological state of particularly sensitive and indicator species), (ii) development of adaptation programs/proposals for a number of species (in at least pilot areas) (iii)</p>	MENR/FAO/ANAS
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6	Inadequate adherence to the PA management plan	M	M	M	<p>Key stakeholders will be actively engaged in formulating and planning of the PA management plan. Proposed measures to increase management effectiveness will be consulted widely through organizing regular meetings, round tables, and briefings with high level of local participation and NGOs/Civil Society. Awareness will be raised among the general public about the interventions and its benefits.</p>	MENR/FAO
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7	Resistance to new regulations in PAs	H	M	M	<p>The project is designed to engage fully with local stakeholders. Key stakeholders will be involved in evolving new regulations. Awareness will be raised among local communities on long-term benefits of controlled use and new regulations/other changes employed. Complementary support will be provided by improved management practices to those directly affected, particularly sustainable/alternate livelihood and new employment opportunities, and thereby motivate local stakeholders to participate in, or support the project's activities.</p> <p>Additionally, support will be provided to farmers to adopt biodiversity-friendly practices in around PAs.</p>	MENR/FAO
8	Long, time consuming of inter-governmental procedures leading to delays	M	M	M	<p>Regular PSC meetings will help to mitigate this problem. Consideration of required time, better planning and involvement and/or informing of relevant governmental counterparts will help to avoid or minimize delays</p>	MENR/FAO

9	Poor monitoring network of protected areas	H	M	H	This will be mitigated through preparation of a new monitoring strategy, to determine proposals on optimal networks of PAs with active involvement of national scientific bodies, to establish eco-corridors, and develop appropriate plan-programs to promote sustainable activity in the buffer zones of PAs of Azerbaijan.	MENR/FAO/ANAS
10	Female household heads and married women may not benefit from the project in equal measures with male counterparts because they are unable to balance their ongoing responsibilities with the project-related role	H	M	M	Support needs to be provided to women playing the dual roles as mother, household heads, and active participation in the project. Arrangements may be made to ensure that project-related training and planning and decision-making meetings are scheduled at times when women would be available to participate. Gender sensitization will be directed at national and local government authorities to ensure they recognize the importance of women's participation. GFPs will have a role in promoting women's participation in each project area.	

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

1. Risks and mitigation measures to counteract external risks

External risks to the project will be addressed through the project's M&E system during the project implementation. This M&E system intends to ensure regular assessment of whether these risks have changed in order to take appropriate corrective and mitigation actions to eliminate risks and prevent from recurring. Multi-stakeholder collaboration and partnerships will be employed to support the risk management activities.

Table 1: Risks and mitigation measures table

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2	Lack of institutional clarity, roles and responsibilities among governmental agencies at different levels	M	L	M	<p>Clear division of functions and responsibilities between the different institutions involved, including active engagement of institutions or particular bodies responsible for PAs in Azerbaijan, is considered as a high priority for the project. Moreover, the project intends to support strengthening of policy, regulatory and decision-making frameworks at different levels to ensure the long-term sustainability of project results and outcomes beyond the project life.</p>	MENR/FAO
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3	Limited support and implementation capacity at the national level	L	M	L	<p>The weaknesses and gaps in capacity will be addressed through (i) encouraging working in partnerships with diverse stakeholders; and (ii) identifying the capacity gaps and taking corrective actions; and (iii) development of a capacity building programs and training during the project, by considering specific needs of stakeholders; as well as (iiii) establishment of the National Information-Sharing Forum.</p> <p>Progress of capacity development initiatives will be regularly reviewed by PSC. Moreover, project progress will be regularly monitored, and necessary corrective actions will be taken as necessary.</p>	MENR/FAO
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COVID-19

Given that it is not yet clear when COVID 19 will end, if the situation is still acute by the time of project implementation, the World Health Organization's protocols on distancing and safeguards will be strictly followed throughout the project cycle, if circumstances and epidemiological situation requires to. At the

same time, even if the epidemiological situation softens, the negative long-term consequences of the pandemic, such as the economic crisis, will still persist in the coming years. Unfortunately, the economic disruption have increased poverty and food insecurity, while devastating ecotourism and other drivers of conservation initiatives. At the same time, the COVID 19 pandemic has hit hard a global biodiversity due to increased poaching of wild animals, deforestation, changes in forest habitats, poorly regulated agricultural lands, thus showing that there is a need to protect ecosystems to increase resilience to potential ecological and food crises.

Thus, regular consultations and meetings with stakeholders will ensure that the importance of the project is understood by all directly or indirectly involved in the project, including relevant government and non-government institutions. It will also support the project's activities considering the long-term targets and strategies, even during potential pandemic situations.

At the same time, in response to potential implementation challenges, if any, the activities will be modified as needed; awareness raising, capacity building and training workshops will be completed virtually using online platforms, combined with a closer logging and recording of communications, or if conducted in-person, will be strictly following pandemic protocols for distancing and safeguards.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

. Institutional arrangements for project implementation

1. The Ministry of Ecology and Natural Resources (MENR) will have the overall executing and technical responsibility for the project, with FAO providing oversight as GEF Implementing Agency as described below. The MENR will be the lead executing agency and responsible for the day-to-day management of project results, the overall coordination of project implementation, as well as coordination and collaboration with project participating institutions, local community organizations and other entities participating in the project, through the structure and mechanisms defined by the project.

2. The project organizational structure is as follows:



Figure 1: Project Organizational Structure

3. The government will designate a National Project Director (NPD) from the MENR (paid by the government). Located in MENR, the NPD will be responsible for coordinating project activities with other national bodies participating in the different project components, as well as with the project partners. She/he will also be responsible for supervising and guiding the National Project Coordinator (see below) on the government policies and priorities. The NPD will chair the Project Steering Committee.

4. **Project Steering Committee (PSC).** The PSC will be the main governing body and advisory board for the project. Its main functions are: i) to provide strategic guidance for the execution of the

project; ii) to resolve conflicts related to the project and its adequate execution; iii) to supervise and support the correct implementation of project components; iv) to coordinate and manage by institutional means, the timely contribution of the co-financing agreed by each institution participating in the Project, as well as other sources of financing that coincide with the objectives of the Project; v) to review and agree on the strategy and methodology to implement the Project, as well as changes and modifications stemming from field implementation; vi) to encourage agreements and other forms of collaboration with national and international organizations; vii) to approve annual work plans, annual budgets and progress reports; viii) to oversee the sustainability of the main project outputs, including scale-up and replication. The NPSC will meet in ordinary sessions at least once a year; however, if its members deem it necessary, the NPSC may convene extraordinary meetings. All PSC decisions should be adopted by consensus.

5. The PSC will be comprised of representatives from FAO (as Implementing Agency) as well as other government institutions (Ministry of Agriculture, local government institutions). The members of the PSC will each assure the role of a Focal Point for the project in their respective agencies. Hence, the project will have a Focal Point in each concerned institution. As Focal Points in their agency, the concerned PSC members will: (i) technically oversee activities in their sector; (ii) ensure a fluid two-way exchange of information and knowledge between their agency and the project; (iii) facilitate coordination and links between the project activities and the work plan of their agency; and (iv) facilitate the provision of co-financing to the project.

6. **Project Management Unit.** A Project Management Unit (PMU) will be co-funded by the GEF and established within the Ministry of Ecology and Natural Resources. The main function of the PMU, following the guidance of the Project Steering Committee, is to ensure overall efficient management, coordination, implementation and monitoring of the project through the effective implementation of the annual work plans and budgets (AWP/Bs). The PMU will be composed of (i) a full-time National Project Coordinator (NPC), (ii) a full time Project Assistant, and (iii) a procurement/financial specialist. The PMU will be supported by technical specialists financed by the project, including an SLM expert, a PA financing expert, monitoring experts, gender experts, and other experts as indicated in the project budget.

7. The National Project Coordinator (NPC) will be in charge of daily implementation, management, administration and technical supervision of the project, on behalf of the Operational partner and within the framework delineated by the PSC. She/he will be responsible, among others, for:

- ? coordination with relevant initiatives;
- ? ensuring a high level of collaboration among participating institutions and organizations at the national and local levels;
- ? ensuring compliance with all OPA provisions during the implementation, including on timely reporting and financial management;
- ? coordination and close monitoring of the implementation of project activities;
- ? tracking the project's progress and ensuring timely delivery of inputs and outputs;
- ? providing technical support and assessing the outputs of the project national consultantshired with GEF funds, as well as the products generated in the implementation of the project,;

- ? approve and manage requests for provision of financial resources using provided format in OPA annexes;
 - ? monitoring financial resources and accounting to ensure accuracy and reliability of financial reports;
 - ? ensuring timely preparation and submission of requests for funds, financial and progress reports to FAO as per OPA reporting requirements;
 - ? maintaining documentation and evidence that describes the proper and prudent use of project resources as per OPA provisions, including making available this supporting documentation to FAO and designated auditors when requested;
 - ? implementing and managing the project's monitoring and communications plans;
 - ? organizing project workshops and meetings to monitor progress and preparing the Annual Budget and Work Plan;
 - ? submitting the six-monthly Project Progress Reports (PPRs) with the AWP/B to the PSC and FAO;
 - ? preparing the first draft of the Project Implementation Review (PIR);
 - ? supporting the organization of the mid-term and final evaluations in close coordination with the FAO Budget Holder and the FAO Independent Office of Evaluation (OED);
 - ? submitting the OP six-monthly technical and financial reports to FAO and facilitate the information exchange between the OP and FAO, if needed;
 - ? inform the PSC and FAO of any delays and difficulties as they arise during the implementation to ensure timely corrective measure and support.
8. The Food and Agriculture Organization (FAO) will be the GEF Implementing Agency (IA) for the Project, providing project cycle management and support services as established in the GEF Policy. As the GEF IA, FAO holds overall accountability and responsibility to the GEF for delivery of the results. In the IA role, FAO will utilize the GEF fees to deploy three different actors within the organization to support the project (see Annex J for details):
- ? the Budget Holder, which is usually the most decentralized FAO office, will provide oversight to day-to-day project execution;
 - ? the Lead Technical Officer(s), drawn from across FAO will provide technical oversight/support to the project's technical work in coordination with government representatives participating in the Project Steering Committee;

? the Funding Liasion Officer(s) within FAO will monitor and support the project cycle to ensure that the project is being carried out and reporting done in accordance with agreed standards and requirements.

9. FAO responsibilities, as GEF agency, will include:

? Administrate funds from GEF in accordance with the rules and procedures of FAO and transfer them to executing partners;

? Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers, Operational Partners Agreement(s) and other rules and procedures of FAO;

? Provide technical guidance to ensure that appropriate technical quality is applied to all activities concerned;

? Conduct at least one supervision mission per year; and

? Reporting to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, the Mid Term Review, the Terminal Evaluation and the Project Closure Report on project progress;

? Financial reporting to the GEF Trustee.

2. Coordination with other relevant GEF-financed projects and other initiatives.

10. The MENR is also implementing the GEFID 4730 project on Increasing Representation of Effectively Managed Marine Ecosystems in the Protected Area System. This project foresees the development of a financial plan for the network of Marine Protected Areas, as well as a monitoring system for the state of ecosystem health. The proposed project will coordinate activities to ensure that the experience in the development of both of these activities is taken into consideration in the implementation of Component 2 of the proposed project. In addition, the land monitoring tools that will be used in the proposed project are flexible enough (and open source) to ensure that any indicator data collected in GEFID 4730 can be used. The proposed project will also be coordinated with GEF funded projects in the region, CACILM-II (GEFID 9000), SFM projects in Azerbaijan (GEFID 9396) and Uzbekistan (GEFID 9190). In addition, and given that approximately 70% of Azerbaijan's territory is covered by semi-arid and dry sub-humid land (see Annex 1 with the map of the region where the potential areas of intervention are represented), and in order to maximize the scaling up potential, the project will be linked to the Drylands Impact Program, potentially through the regional CACILM-2 multi-stakeholder platform and Pastoral Systems Knowledge Hub. This will be done to share and access knowledge, tools, research and assessments, and lessons learned to inform decision makers at all levels.

11. Finally, FAO is supporting the European Bank for Reconstruction and Development (EBRD) analyze the tea market near Hirkan Natural Park. Given that the agricultural sector (including the tea sector) is putting pressure on the PA, the project will seek synergies with the private sector in order to develop sustainable business development models.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

- ? National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC
- ? National Action Program (NAP) under UNCCD
- ? ASGM NAP (Artisanal and Small-scale Gold Mining) under Mercury
- ? Minamata Initial Assessment (MIA) under Minamata Convention
- ? National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD
- ? National Communications (NC) under UNFCCC
- ? Technology Needs Assessment (TNA) under UNFCCC
- ? National Capacity Self-Assessment (NCSA) under UNCBD, UNFCCC, UNCCD
- ? National Implementation Plan (NIP) under POPs
- ? Poverty Reduction Strategy Paper (PRSP)
- ? National Portfolio Formulation Exercise (NPFE) under GEFSEC
- ? Biennial Update Report (BUR) under UNFCCC
- ? National Legislation, Governance and provisions for Environmental and Social Risk Management

1. The project is consistent with and will support the implementation of the country's NBSAP[1], particularly the following priority objectives:

- ? 3.0.2. improving biodiversity monitoring systems, including the development and application of modern monitoring methods and maintaining accurate records of bioenergy resources

- ? 3.0.4. developing and effectively managing the protected areas taking into account international best practices
- ? 3.0.9. providing adequate resources for conservation and sustainable use of biodiversity
- ? 3.0.10. strengthening institutional capacities in the planning, management and use of biodiversity.

2. The proposal also supports the following Aichi national targets:

- ? Improving biodiversity monitoring systems
- ? Restoring and conserving biodiversity, ecosystems
- ? Developing collaborative management in biodiversity conservation
- ? Providing adequate resources for conservation and sustainable use of biodiversity
- ? Strengthening institutional capacities in the planning, management and use of biodiversity

3. The project is consistent with and will support the implementation of the country's NDC[2], where the country committed to reducing greenhouse gas emissions (including LULUCF) by 35% in 2030 compared to the base year. The preliminary assessment shows that there is significant change in forests stands (i.e loss of carbon stocks) in the period of analysis. Approximately 40,000 ha of forest were lost in the buffer zones around the protected areas under study, and roughly 26,000 ha were lost within the protected areas. The project will support activities to develop data and tools to plan processes that will help reduce losses in degradation in the long term throughout the PA system in Azerbaijan.

4. The proposed project is also aligned with "Azerbaijan 2020: look to the future" development Concept?, in particular with Section 11: Environmental protection and ecological issues.[3] This section states that in order to make effective use of land resources, measures will be implemented to prevent desertification, rehabilitate lands that have become unusable as a result of the activities of major industrial and mining enterprises, improve the system of using lands suitable for agriculture and strengthen the protection of lands from anthropogenic contamination.

[1] <https://www.cbd.int/doc/world/az/az-nbsap-v2-en.pdf>.

[2] <https://www.cbd.int/doc/world/az/az-nbsap-v2-en.pdf>.

[3] https://president.az/files/future_en.pdf.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

1. Proper project dissemination and communication is a key in order to ensure the maximum impact of the current project, as well as to mobilize public and private sector support to ensure sustainable development impact of the project related outcomes. To achieve this objective, the Integrated Land Management Communications Strategy and Action Plan will be evolved within the project to reach out and ensure active engagement of all the stakeholders.
2. A comprehensive communication strategy will be a prerequisite for raising awareness and increasing knowledge across all sectors of government, civil society and rural communities about the positive contributions of the project, and the importance of an integrated approach to managing landscapes to preserve biodiversity, and to promote the protection of ecosystems and natural habitats. The communication strategy will be a key component for mainstreaming ILM approaches and enhancing key policy, institutional and finance-related reforms and initiatives.
3. Communication and dissemination activities will be designed in accordance with the stage of development in the project. Newly introduced measures developed by the project will be followed-up by the training and awareness raising campaigns that will include relevant stakeholders directly and indirectly affected; project approaches and results will be shared, and efforts will be centered to replicate tested methodologies in other municipalities and regions across the country.
4. Specific attention will be given to various types of knowledge products produced including thematic case studies, video materials, three-monthly newsletters, joint district/municipal outreach and awareness campaigns, evaluation and learning reports, briefs; strategic papers, educational and informational materials in printed and digital forms for information and knowledge-sharing with other regions, and dissemination, and replication of verified data and tested methodologies. This will ensure maximum impact of the project activities and guarantee an effective visibility and dissemination of the project related results at the national and regional levels.
5. The design of the Strategy is expected to be informed by the results of the Knowledge, Attitude and Practice (KAP) survey undertaken at the beginning of the project, enabling it to be aimed at integrating biodiversity conservation and production management across key land use decision-making processes (e.g. sector planning, land use planning, community development plans) at landscape scales. Additionally, mid-term and end-of-project surveys will be conducted to monitor and evaluate the

efficiency and effectiveness of the project implementation. As a way forward, the surveys themselves will also raise the profile of the project and contribute to mainstreaming of landscape approach, since KAP methodology will track gender, age group and social background of survey participants, many of whom will be stakeholders and potential project beneficiaries.

6. Participatory, user-friendly monitoring and information management platform for PAs (PAMIMS) and their buffer zones will be designed to serve as a repository platform for key information, such as PA management plans, guidelines and training manuals, readily accessible to PA staff and other stakeholders, and thereby contributing to raising the profile of the PAs system; performed activities, and the achieved results. Once designed and operational, training in monitoring, use of PAMIMS and its population with data and information will be conducted during the project.

7. The objectives of the project's Integrated Land Management Communications Strategy and Action Plan will be varied, and include:

- ? Mobilize stakeholder involvement in, and support for the project;
- ? Inform stakeholders about the project progress, results, lessons and best practices;
- ? Raise awareness about interlinkages between biodiversity conservation, climate change, and adaptation in the context of biodiversity and natural resource management;
- ? Facilitate sharing of information, experiences, lessons and best practices among key stakeholders, particularly those involved in management of the PAs;
- ? Raise awareness and understanding of management issues, strategies, actions and results;
- ? Stimulate change in policy and practice of PA management in Azerbaijan; and increase visibility locally, nationally, regionally and internationally of the work being done by GEF and project partners to develop a network of PAs in Azerbaijan which will provide national and global benefits of biodiversity conservation in long-term period;
- ? Mainstreaming ILM approaches and enhancing key policy, institutional and finance-related reforms.
- ? Stimulate knowledge sharing with other regions and dissemination and replication of verified data and tested methodologies across the project sites and country.

8. The designed Communications Strategy and Action Plan will be reviewed annually and at mid-term, to ensure objectives are being achieved and updated to reflect changing needs and priorities.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

1. Monitoring and evaluation (M&E) of progress in achieving project outcomes and objectives will be based on the targets and indicators set out in the Project Results Framework (Annex A1) and the description of the same in section 1.a. above. Project monitoring and evaluation activities has been estimated in USD 162,175 (see table 15 below). Monitoring and evaluation activities will follow FAO and GEF monitoring and evaluation policies and guidelines. The monitoring and evaluation system will also facilitate their replication of project outcomes and lessons learned in relation to comprehensive natural resources management.

1. Oversight and monitoring responsibilities

2. The M&E functions and responsibilities, specified in the Project Monitoring Plan (see below) will be implemented through: (i) continuous day-to-day monitoring and project progress oversight missions by the Project Management Unit (PMU, see section 6.1 above); (ii) technical monitoring of indicators by the PMU in coordination with partners; (iii) mid-term review and final evaluation (independent consultants and FAO Evaluation Office); and (iv) FAO's monitoring and oversight missions.

3. At the beginning of the GEF project implementation, the PMU will establish a system to monitor the progress of the project. Participatory mechanisms and methodologies will be developed to support the monitoring and evaluation of outcome and output indicators. During the project start-up workshop (see below), M&E tasks will include: (i) presentation and clarification (if necessary) of the Project Results Framework to all the project stakeholders; (ii) review of monitoring and evaluation indicators and baselines; (iii) preparation of draft clauses that would be included in the consultants' contracts to ensure fulfilment of their monitoring and evaluation reporting tasks (if appropriate); and (iv) clarification of the division of monitoring and evaluation tasks among the different project stakeholders.

4. The National M&E Expert with support from the team members in the PMU will prepare a draft monitoring (M&E) matrix, which will be discussed and approved by all key stakeholders during the start-up workshop. The M&E Matrix will work as a management tool for the NPC, local experts and Project Partners for: i) biannual monitoring of output indicators; ii) annual monitoring of outcome indicators; iii) definition of responsibilities and means of verification; iv) selection of methodology for data processing.

5. The Monitoring Plan will be prepared by the M&E Expert with support from the Project Team during the first quarter of Year 1 and validated by the Project Steering Committee (PSC). The Monitoring Plan will be based on the Monitoring Plan (Table 15 below) and the Monitoring Matrix and will include: i) the updated outcomes matrix, with clear indicators broken down by year; ii) updated baseline, if

necessary, and the tools selected for data gathering; iii) description of the monitoring strategy, including roles and responsibilities for data collection and processing, report flow, monitoring matrix and brief analysis on how and when each indicator will be measured (responsibility for project activities could coincide with that of data collection; iv) updated implementation arrangements, where necessary); v) inclusion of indicators from GEF monitoring tools, data collection and monitoring strategy for mid-term review and final evaluation; and vi) schedule of evaluation workshops, including self-assessment techniques.

6. The M&E Expert will be responsible for the continuous monitoring of project implementation and will be guided by the preparation and implementation of an Annual Work Plan and Budget (AWPB) supported by a biannual project progress reports (PPR). The preparation of the AWPB and the PPRs will represent the output of a unified planning process among the main project stakeholders. As results-based management tools, the AWPB will indicate the proposed actions for the following year and will offer the necessary details on the output and outcome targets, and the PPRs will offer information on actions implementation monitoring and the achievement of the output targets. Contributions to AWPB and PPR will be prepared through a participatory system of progress review and planning with all stakeholders, which will be coordinated and facilitated through progress review and project planning workshops. These contributions will be consolidated into the draft AWPB and PPR.

7. An annual project progress review and planning meeting will be held with the participation of Project partners to finalize the AWPB and PPR. Once finalized, the AWPB and PPR will be sent to FAO's LTO for technical clearance and to the Steering Committee for review and approval. The AWPB will be prepared in accordance with the Outcomes Framework to ensure adequate compliance and monitoring of project outputs and outcomes.

8. Following project approval, the first year AWPB will be adjusted (reduced or extended) to be synchronized with the annual reporting schedule. In subsequent years, AWPBs will follow an annual planning schedule, in line with the reporting cycle described below.

1. Indicators and Sources of information

9. In order to monitor project outputs and outcomes, including contributions to global environmental benefits, a set of indicators is set out in the Outcomes Framework (Appendix 1). The indicators and means of verification in the Outcomes Framework will be applied to monitor both project performance and impact. Following FAO monitoring procedures and progress reporting formats, the data collected should be sufficiently detailed to allow monitoring of specific outputs and outcomes and early detection of risks to the project. Output target indicators will be monitored every six months and outcome target indicators will be monitored every year whenever possible or at least in the mid-term and final evaluations.

10. The main sources of information to support the M&E plan include: i) participatory progress review workshops with stakeholders and beneficiaries; ii) on-site monitoring of the field interventions implementation; iii) progress reports prepared by the NPC with inputs from partners, intervention zone coordinators, project specialists and other stakeholders; iv) consultancy reports; v) training reports; vi) mid-term review and final evaluation; vii) financial reports and budget reviews; viii) Project Implementation Reports prepared by FAO's Lead Technical Officer with the support of FAO's Representation in Azerbaijan; and ix) reports on FAO's oversight missions.

2. Reporting plan

11. The reports that will be prepared specifically within the monitoring and evaluation programme framework are: (i) the Project start-up report, (ii) the Annual Work Plan and Budget (AWPB), (iii) the Project Progress Reports (PPR), (iv) the Annual Project Implementation Review Reports (PIR), (v) the technical reports, (vi) the Co-financing Reports, and (vii) the Final Report. In addition, the GEF Core Indicator Worksheet and the GEF Biodiversity Focal Area Monitoring Tool for Protected Areas will be completed in connection with the Mid-Term Review and Final Project Evaluation so that progress can be compared with the baseline established during project preparation.

12. After FAO's approval of the project, a national project start-up workshop and regional start-up workshops will be held. Immediately after the workshop, the NPC will prepare a project start-up report in consultation with the PSC and FAO's Lead Technical Officer (LTO). The report will include a description of the institutional roles and responsibilities and coordination with project actors, the progress made in their establishment and start-up activities, as well as an update of any changes in external conditions that may affect project implementation. It will also include a detailed AWPB for the first year and the Monitoring Matrix, a detailed monitoring plan based on the monitoring and evaluation plan presented below. The draft Start-up Report will be delivered to FAO and to the PSC for review and comments prior to finalization of the report, no later than three months after project start-up. The report must be approved by the BH, the LTO and the FAO-GEF Coordination Unit. The BH will upload the report to FPMIS.

13. The NPC shall submit a draft AWPB to the PSC by January 10 of each year at the latest. This should include a detailed list of activities to be executed every month for each output and outcome and the dates by which the targets and milestones of the outputs and outcomes will be achieved throughout the year. It will also include a detailed budget of the project activities to be carried out during the year, along with all necessary monitoring and oversight activities during the year. The AWPB will be reviewed by the PSC and FAO. The final AWPB will be sent to the PSC for approval and to FAO for final authorization. The BH will upload the AWPB to the FPMIS.

14. PPRs are used to identify constraints, problems or bottlenecks that hinder timely implementation, and to take appropriate corrective measures. PPRs will be developed on the basis of systematic monitoring of the output and outcome indicators identified in the Project Results Framework

(Appendix 1), AWPB and Monitoring Plan. Each semester, the National Project Coordinator will prepare a draft PPR, and compile and consolidate comments from FAO's PTF. The NPC will submit the final PPRs to the FAO Representative in Azerbaijan every six months, prior to June 10 (covering the period from January to June) and prior to December 10 (ranging from July to December). The report for the July-December period should include an AWPB update for the following year for review and no objection by FAO's PTF. Once comments are entered, the LTO will give its technical approval, the BH will approve and submit the final version of the PPR to the National Project Steering Committee (NPSC) for approval. The BH will upload the PPRs to the FPMIS.

15. The NPC, under the supervision of the LTO and the BH and in coordination with the national project partners, will prepare a draft PIR for the July (previous year) and June (current year) periods no later than July 1 of each year. The LTO will finalize the PIR and submit it to the FAO-GEF Coordination Unit for review before July 10. The FAO-GEF Coordination Unit, the LTO and the BH will discuss PIR and ratings. The LTO is responsible for the final PIR review and sanction technical approval. The LTO will submit the final PIR version to the FAO-GEF Coordination Unit for final approval. The FAO-GEF Coordination Unit will present the PIR to the GEF Secretariat and the independent Evaluation Office of the GEF as part of the Annual Monitoring Review of the FAO-GEF portfolio. The PIR will be uploaded to FPMIS by the FAO-GEF Coordination Unit.

16. **Technical reports.** Technical reports will be prepared as part of the project outputs and will serve to document and disseminate lessons learned. All draft technical reports should be prepared and submitted by the Project Coordinator to the PCS and the FAO Representation in Azerbaijan, which in turn, will share them with the LTO for review and approval and with the FAO-GEF Coordination Unit for information and comments, prior to finalization and publication. Copies of the technical reports will be distributed to the Liaison Committee and the project PSC and other project stakeholders, as appropriate. These reports will be uploaded to FPMIS by the BH.

17. **Co-financing Reports.** The NPC will be responsible for compiling the necessary information on in-kind and cash co-financing contributed by all co-financiers of the project, both those referred to in this document and those not foreseen (new). Each year, the Coordinator will submit these reports to the FAO Representation in Azerbaijan by July 10, ranging from July of the previous year to June of the year of the Report. This information will be included in the PIR.

18. **GEF Biodiversity Tracking Tool (tracking tools).** In compliance with GEF policies and procedures, the Biodiversity Focal Area Tracking Tools will be submitted to the GEF Secretariat in three phases: (i) along with the Project Document for approval by the GEF Executive Director; (ii) along with the mid-term review of the project; and (iii) along with the final evaluation of the project. It will be filled out by the Project Coordination.

19. **Final Report.** Within two months prior to the project completion date, the Project Coordinator shall submit a draft Final Report to the PSC and the FAO Representation in Azerbaijan. The main purpose of the Final Report is to provide the authorities with inputs on the political decisions required to continue with the Project, and to provide the donor with information on the use of funds. Therefore, the Final Report will consist of a brief summary of the main outputs, outcomes, conclusions and recommendations of the Project. The report is aimed at people who are not necessarily technical

specialists and who need to understand the political implications of the findings and technical needs to ensure the sustainability of the project outcomes. The Final Report offers assessment of the activities, a summary of lessons learned and provides recommendations in terms of its applicability to promote climate-smart livestock, in the context of development priorities at national and provincial levels, as well as practical application. A project evaluation meeting should be held to discuss the draft Final Report with the NPSC and the Liaison Committee prior to its finalization by the Coordinator and approval by the BH, LTO and the FAO-GEF Coordination Unit.

3. Monitoring and Evaluation Plan

20. Table 10 below presents a summary of the main monitoring and evaluation reports, those responsible for each report and deadlines. Project implementation will incorporate participatory monitoring of the Gender Action Plan (see Annex 5) which has a separate set of indicators that will be monitored and evaluated during the Mid-Term and End of Project Reviews. Separate gender monitoring reports will be prepared by the PMU gender specialist with support from the project gender focal points

Table 1: Summary of main monitoring and evaluation activities

M&E Activity	Responsible Units	Deadline/ Frequency	Budgeted Costs (USD)
Inception Workshop	NPC; FAO AZ (with the support of the LTO, and the FAO-GEF Coordination Unit)	Two months after the project has began	USD 5,000

M&E Activity	Responsible Units	Deadline/ Frequency	Budgeted Costs (USD)
Project Inception workshop report	PMU	Immediately after the start-up workshop	USD 2,500 (NPC and PMU staff time)
In-situ impact monitoring (monitoring of core indicators)	M&E expert, local experts and partners, with the support of the PMU	Continuous	USD 13,875 (Time of M&E expert, plus EX-ACT calculations and GIS data collection);
Oversight visits, progress valuation, and learning missions	NPC; FAO (FAO AZ, LTO) FAO-GEF Coordination Unit can participate in the visits, if necessary.	Annual, or as required	\$30,000 PMU supervision missions \$30,800 site visits (for project beneficiaries) FAO visits will be funded by the GEF agency fees.
Project Progress Report (PPR) and Project Implementation Report (PIR), Co-financing Reports	NPC, with contributions from project partners and other institutions involved in the implementation.	Biannual	USD 5,000 (NPC time and PCU staff)
National Steering Committee and Project Management Committee Meetings	PMU; FAO; member institutions	Annual or more	To be held at FAO or Ministry offices
Monitoring Environmental and Social Safeguards, Update of GEF Tracking Tools	NPC with inputs from the other co-financiers.	Annual	USD 2,000 (NPC time and PCU staff for ESS) USD 8,000 (NPC time and PMU staff to update Tracking Tools at MTR and FE)
Technical reports	NPC and FAO (LTO, FAO Azerbaijan)	As appropriate	-

M&E Activity	Responsible Units	Deadline/ Frequency	Budgeted Costs (USD)
Mid-term review	FAO Azerbaijan, External Consultant, FAO Independent Evaluation Unit in consultation with the project team, including the GEF Coordination Unit and other stakeholders.	Halfway through project implementation	USD 20,000 (does not travel costs of the external consultant)
Independent final evaluation (IFE)	External consultant, FAO Independent Evaluation Unit in consultation with the project team, including the FAO-GEF Coordination Unit and other stakeholders.	At the end of project implementation	USD 45,000 (includes fees and travel costs of the external consultants)
Total budget			USD 162,175

4. Evaluation Provisions

21. At the end of the first 24 months of the project, the BH will organize a Mid-Term Review (MTR), in consultation with the PSC, PMU, LTO and the FAO GEF Coordination Unit. The MTR will be carried out in order to review the progress and effectiveness of project implementation, in terms of achievement of objectives, outcomes and outputs. The MTR will support the implementation of corrective actions, if necessary. The MTR will provide a systematic analysis of the information included in the Monitoring Plan (see above), with emphasis in meeting the targets of the expected outcomes and outputs versus expenditures. The MTR will make a reference to the project budget (see Annex A2) and the approved AWPB for years 1 and 2. The MTR will contribute to highlight replicable good practices and the problems faced during project execution, and will suggest mitigation measures to be discussed by the NPSC, the LTO and the FAO-GEF Coordination Unit.

22. An independent final evaluation (FE) will be carried out three months before the final report meeting. The FE will identify project impacts, outcomes sustainability and the level of achievement of long-term outcomes. The FE will also focus on future actions needed to expand the project in later phases, integrate and multiply the outputs and practices, and disseminate information among authorities and institutions responsible for food security, conservation and sustainable use of natural resources, small-scale agricultural production and ecosystem conservation, to ensure the continuity of the processes initiated by the Project. Both the MTR and the FE will pay special attention to performance indicators and will be aligned with the GEF (Biodiversity focal area) monitoring tool.

5. Information Disclosure

23. The project will ensure transparency in preparing, conducting, reporting and evaluating its activities. This includes full disclosure of all non-confidential information, and consultations with major groups and representatives of local communities. Disclosure of information will be ensured through publication on websites and dissemination of findings through knowledge products and events. Project reports will be disseminated widely and freely, and findings and lessons learned will be made available

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCE/SCCF)?

1. The project will contribute significantly to a more effective management of Azerbaijan's PA network, and improve environments both within PAs and in their surrounding areas. In other words, this project is expected to demonstrate good management practices to conserve biodiversity, provide opportunities for sustainable income generation for communities, and provide a model/financing strategy for sustainable financing across the national PAs system.
2. Improved conservation outcomes within PAs with regard to habitat and species management, and improved control of illegal and unsustainable uses will increase ecological resilience of selected PAs by reduction of threat posed by anthropogenic disturbances. The project will also provide for adoption of landscape-scale PAs planning across the country through the systems plan development, which will lead to increased resiliency of ecosystems.
3. At the site level, the project will bring in socio-economic benefits to local communities in and around the selected protected areas, with full consideration given to gender dimensions. Local community members in landscape surroundings will be provided with alternate opportunities through expanding of sustainable nature-based tourism of the selected PAs, engagement in PA-level enforcement, sustainable extraction practices, habitat improvement and species monitoring and recovery activities.
4. Additionally, providing support to local communities through sustainable/alternative livelihoods will enable them to better cope with climate-induced impacts and risks.
5. Also, improvement of conservation and overall management of PAs will also ensure the functioning of ecosystem services, which has direct impact to local population living around PAs and whose livelihood directly or indirectly depends from these services, through pollination, provision of fresh water, protection from floods, landslides and erosion and other services.
6. Improved capacity to develop alternate livelihoods and access to markets for biodiversity friendly, environmentally supportive products will partially mitigate loss of access for some users who traditionally depend on illegal or unsustainable harvesting of wildlife in the PAs.
7. In other words, the capacity built through the project and co-management arrangements with key other stakeholders are likely to improve the management and governance compared to the baseline scenario. Such improvements will be due to increased buy in by local communities and other relevant stakeholders in the value of PAs, due to the flow of sustainable resources from these PAs, increase in number and quality of livelihood benefits from these sites, and increased national visibility arising from the improved management of these sites as model site to emulate.
8. Participatory approaches developed under the project are likely to enhance the social capital and will lead to deeper involvement of local people in conservation activities in the future. Community

strengthening and empowerment as a consequence of participation in the project is likely to sustain beyond the project.

9. Additionally, the activities of this project will build the capacity of government officials and other stakeholders to improve management and sustainable use of goods and services arising from PAs. These project activities will provide long-term national environmental benefits and the achievement of the project's global environmental objective. The project outcomes will lead to the long-term viability of globally significant biodiversity in Azerbaijan by improving the regulatory, planning, institutional and financial frameworks for PA management. Specifically, by removing of existing barriers to effective management of globally threatened species and ecological communities, undertaking species recovery, habitat restoration activities, and the mitigation of key threats in model PAs will provide replicable models for improved management in other areas of the country. The adoption of a landscape approach to management of the ecosystems within the PAs system, will ensure viability of wildlife populations, sustained ecosystem services to local people, and help to improve resilience to climate change.
10. At the national level, environmental improvements will bring socioeconomic benefits, which will enhance environmental sustainability further, by strengthening the links between the PAs and the quality of life of people using the PAs. Improved engagement of stakeholders and management of PA resources will reduce the threats and impacts on biodiversity, leading to healthier, resilient and more productive ecosystems in the country.
11. Addressing gender and emphasizing the role of women in natural resources management projects is an entry for reversing environmental and land degradation. Women manage natural resources daily in their roles as farmers and household providers; typically, they are responsible for growing crops, collecting fuel wood, and water. Local values and practices have a major impact on their access to natural resources and the extent to which women are engaged in conservation activities. Inequitable access and unequal playing fields has led women farmers to produce less and earn less than their male counterparts. Where both rural women and men are empowered to participate in decisions that affect their needs and vulnerabilities, they can help to ensure effective interventions for their conservation and sustainable use. Thus, the project will benefit both women and biodiversity conservation by: (a) improving women's participation and decision-making in SLM at both the national and local levels; (b) improving women's capacity for SLM and agricultural practices; and (c) improving livelihoods for women, including promotion of women and youth entrepreneurship, which will facilitate their earning higher incomes through more satisfying work.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification *

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

2. Environmental and Social risks from the project ? ESRM Plan to counteract identified environmental and social risks

This section is based on the risk matrix obtained during risk screening in the concept note (in FPMIS) and based on further update and revision by the PTF under the responsibility of the LTO.

Numerous risks that the project could potentially cause have been identified during the preparation of the project concept (PIF phase). These risks triggered corresponding safeguards indicating the need to counteract risks ranging from High to Moderate. Morra, Daniela on behalf of ESM-Unit has reclassified on 12-Oct-2018 this finding from High to Moderate (see Annex 11 to the project document). In the course of the project preparation (PPG phase), the identified risks have been revisited to further update their status. This resulted in development of the Environmental and social risk management plan (ESRM Plan) below, which is thoroughly addressing all identified risks of the category ?Moderate? and above:

Risk identified	Risk Classification	Risk Description in the project	Mitigation Action (s)	Indicators	Progress on mitigation action
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<p>2.1 Implementation within a legally designated protected area or its buffer zone</p>	<p>Moderate*</p>	<p>All target sites are under special protected status regulated by the Law on Specially Protected Areas in Azerbaijan. In these target sites, the following activities are planned to be carried out on the ground: Assessment and monitoring of the socio-ecological status, preparation of participatory management plans, application of integrated landscape management strategies based on co-management agreements with local communities (including support of alternative livelihoods opportunities)</p>	<p>Ensure that none of the activities will include violating national law by contradicting the purposes or limits established in the PAs, harming communities, even seasonally, whose livelihoods depend or are linked to the PA, carrying out activities that could, directly or indirectly damage the functions of the PA, ignoring/excluding management bodies, PA authorities, developing legislation that could lead to limiting/excluding people from access to natural resources. Instead, recommendations will be made to improve management of the target sites in the context of wider landscape.</p>	<p>Proportion of listed on the ground activities in line with national PA laws (target 100%)</p> <p>Proportion of listed on the ground activities which have the potential to damage PAs functions (target 0%)</p> <p>Proportion of proposed co-management agreements which could lead to limiting/excluding people from access to natural resources (target 0%)</p>	
<p>3.4 Establishment or management of planted forests</p>	<p>Moderate</p>	<p>Related activities abolished, no plantations will be established</p>	<p>n/a</p>	<p>n/a</p>	

<p>7.4. Operation in situations where major gender inequality in the labour market prevails</p>	<p>Moderate</p>	<p>Gender balance will be required for all to be established bodies in relation to the integrated landscape management strategies based on co-management agreements with local communities. Gender and safeguards expert will be recruited to train project staff on gender equality during project inception, provide technical support to integrate gender into project implementation plans, and advise on gender mainstreaming as stipulated inter alia in a to be developed Gender Action Plan. Conditions to develop the Gender Action Plan were already surveyed and results are included in a separate Annex 5 (Gender Analysis and Women's Empowerment) to the Project document.</p>	<p>Take action to anticipate likely risk of socially unsustainable agriculture and food systems by integrating specific measures to reduce gender inequalities and promote rural women's social and economic empowerment. Social value chain analysis or livelihoods/employment assessment will be undertaken based on the results of the annexed survey on Gender Analysis and Women's Empowerment. Facilitation will be provided for women of all ages to access productive resources (including land), credit, markets and marketing channels, education and TVET, technology, collective action or mentorship. Provisions for maternity protection, including child care facilities, will be foreseen to favour women participation and anticipate potential negative effects on child labour, increased workloads for women, and health related risks for pregnant and breastfeeding women.</p>	<p>Set up Gender action plan to be developed at the project inception based on the annexed gender survey results (Annex 5: Gender Analysis and Women's Empowerment), and specifically considering all indicators proposed therein (target 100%)</p> <p>Proportion of women in all established bodies (target 50%)</p> <p>Number of trainings on gender equality (target 3)</p>	
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7.6 Directly employment of workers	Moderate	Related activities abolished, no direct employment of workers foreseen	n/a	n/a	
7.7 Involvement of sub-contracting	Moderate	Anticipated sub-contracting include: Development of Integrated Landscape Management Strategy & Action Plan (LMSAP) including associated Communication Strategy and Action Plan (CSAP), Ecosystem Services Valuation, preparation of Sustainable Financing Strategy and Action Plan, development of web-based Information management platform for PAs system (PAMIMS), preparation of Participatory Management Plans (PMP), development and delivery of Landscapes and PAs Management Training Programme	Take action to anticipate likely risk of perpetuating inequality and labour rights violations by introducing complementary measures. Promoting of subcontracting to local entrepreneurs - particularly to rural women and youth - to maximize employment creation under decent working conditions. Monitoring and eventually supporting contractors to fulfil the standards of performance and quality, taking into account national and international social and labour standards.	Proportion of subcontractors from the region (target 70%) Proportion of rural women and youth involved in delivery of subcontracted services (target 50%) Proportion of local subcontractors taking into account national and international social and labour standards (target 100%)	

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Risks and mitigation measures (ESS)	CEO Endorsement ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Annex A1: Project Results Framework [1]

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Objective: To strengthen the effectiveness of Azerbaijan's protected area system to deliver Global Environmental Benefits, using a landscape approach to governance and management							
Component 1: Strengthening the national and local enabling environment to support a landscape approach to conserving biodiversity							
Outcome 1.1: Policy, regulatory and decision-making frameworks strengthened to support application of a landscape approach to managing PAs, buffer (sanitary) zones and adjacent systems under sustainable production.	Legal and regulatory recommendations for integrated landscape management in and around PAs mainstreamed into key national policies in water, forestry and agricultural sectors	No mandate to carry out integrated planning	Legal and regulatory analysis completed	Legal and regulatory framework supports integrated planning in 3 relevant sectors (water, forestry and agriculture)	Draft of the amended legal/regulatory framework ready for submission to Parliament	Governments of Azerbaijan, Republic willing to review and amend national legislation	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	<p>Number of government agencies and municipalities engaging in joint planning and decision-making (ministries of agriculture, environment, forestry and water + some municipalities at pilot sites involved in decision-making forums)</p> <p>Number of regions/districts that mainstream biodiversity protection into their planning processes</p>	<p>MENR and MinAg starting joint planning processes</p> <p>0</p>	<p>2 agencies (either ag, fisheries, forestry, or water) and 2 municipalities engaged</p> <p>2 regions participate in landscape planning</p>	<p>4 agencies (agriculture, environment, forestry and water) and 3 (i.e.75%) municipalities engaged</p> <p>4 municipalities implement a landscape approach to biodiversity protection</p>	<p>Minutes of relevant ILMTF meetings</p> <p>District/regional planning documents (linked to 5 year socioecon dev plans 2019-2023)</p>		<p>PMU</p> <p>PMU/Gov of Azerbaijan (GOA)</p>
1.1.1 National Integrated Landscape Management Strategy & Action Plan (LMSAP) that addresses identified gaps in policy, regulatory and decision-making frameworks developed.	LMSAP adopted	No LMSAP	LMSAP prepared	LMSAP adopted by MENR	Final LMSAP	MENR and other relevant Government agencies willing to cooperate and revise their plans and	PMU/SC

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
1.1.2 Ecosystem Services Valuation at landscape level that informs policy reforms through communication, landscape, financing and PA management strategies undertaken	Valuation of ecosystems services for Shirvan and Hirkan shared/submitted	No recent valuation	Baseline studies completed	Valuation report prepared and shared with all stakeholders Findings of reports submitted to relevant authorities for consideration in planning and implementation of management actions	Socio-economic Valuation of Ecosystem Goods and Services report Workshop report - Submission documents/minutes of meetings	programmes in an integrated manner.	PMU
1.1.3 Integrated Landscape Management Communication Strategy and Action Plan (ILM-CSAP) prepared and delivered to target sectors at national, district, municipal and community levels.	ILM-CSAP under implementation	No ILM-CSAP exists for protected areas	ILM-CSAP adopted by Project steering committee (PSC)	Outreach/awareness raising campaigns implemented in at least four districts	-PSC minutes -Media reports		PMU
Component 2: Deploying innovative strategies and tools to improve management and viability of PAs system							
2.1. Improved institutional capacity and financial sustainability to manage and monitor the PAs system.	Increase in score of elements of METT dealing with capacity (institutional and financial) to manage and monitor.	-tbd at inception	5% increase	10% increase	-Biennial METT reports	Project implemented in a timely fashion - Relevant stakeholders participate in capacity building activities	PMU/MENR

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
2.1.1 Sustainable Financing Strategy and Action Plan for PAs system, based on a 10-year vision, developed and operational.	Sustainable Financing strategy and action plan (SFS-AP) operational	No national SFS-AP for PA system	SFS-AP developed and adopted by MENR	First year of AP implemented	-Adoption report -Media report	Communities feel empowered to participate in the design of the financial, monitoring, and management strategies	PMU
2.1.2. Participatory, user-friendly monitoring and information management platform for PAs system (PAMIMS) designed and operational	PAMIMS operational within MENR	Monitoring system does not exist for PAs	Monitoring system for PA and surrounding landscapes designed	Tool to store data and on-line repository operational	-Consultant reports on PAMIMS design -Official letter from MENR	MENR and other relevant Government agencies willing to cooperate on integrated planning	
2.1.3 Participatory Management Plans (PMP) for two target PAs and their buffer zones, including financing and monitoring plans, prepared and endorsed by MENR.	Number of PMP endorsed by MENR	No PMP	2 PMP developed	2 PMP endorsed by MENR	- Official letter from MENR - Endorsement documents		PMU/MENR
Component 3. Restoring, maintaining and enhancing biodiversity and ecosystem functions and services in target landscapes							
3.1. Threats to biodiversity reduced, degraded lands restored and ecosystem functions and services enhanced in target landscapes.	Area of terrestrial PAs under improved management for conservation and sustainable use [GEF Core Indicator 1]	0	n/a	94,733 ha under improved management	- Official letter from MENR		PMU/MENR

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	Area of landscapes (excluding PAs) within buffer zones under improved practices [GEF Core Indicator 4]	0	300 ha under improved practices	700 ha under improved practices	-Project technical reports		
	Area of landscape better suited against degradation [GEF Core Indicator 3]	0	100 ha better suited against degradation	200 ha better suited against degradation	-Project technical reports		
	Shirvan NP -Improved water management in Flamingo lake -Stable Gazelle population number	-tbd at inception -tbd at inception	-progress towards improving baseline - Communities implement program to prevent illegal hunting	-Baseline improved according to targets -Same level as the baseline	-PA statistical report	Neighboring communities agree to conserve gazelle	

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	<p>Hirkan NP</p> <p>-Stable Leopard population number</p> <p>-Decrease in area of degraded lands within Hirkan NP (as indicator of the integrity of Hirkanian forest and other natural habitats) reported via PAMIMS</p>	<p>7 individuals (provided by WWF as part of its leopard monitoring programme)</p> <p>(area tbc at inception)</p>	7 individuals	<p>7 individuals</p> <p>5% decrease (relative to the aseline)</p>	<p>WWF report</p> <p>- Http link PAMIMS (Measurements based on satellite imagery)</p>		
3.1.1 Participatory (community-based) integrated landscape management demonstrated in two target PAs, adjacent production systems and buffer zones.	Number of communities participating on livestock, forestry, and restoration of municipal lands activities	No communities	5 communities	10 communities	-Annual monitoring report		

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
3.1.2 Alternative livelihood opportunities and markets identified in PA Management Plans and associated Community/Municipality Enclave Plans developed.	Percentage of vulnerable households that increase their income based on women/youth-centred alternative livelihood opportunities Percentage of community households which received start-up investment from the GEF that are operational at project close	0% 0%	10% increase n/a	50% increase 50% supported	-Field reports - Reports from RuralInvest		PMU
Component 4 Building capacity, managing knowledge, monitoring and evaluation							
4.1 Capacity to effectively manage and monitor PAs system and adjacent/ enclosed buffers improved through training and knowledge of their ecological and management status.	Percent people (disaggregated by gender) trained by the project that are involved in the management and monitoring of PA and their surroundings	None	30%	60%	-Field reports		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	Lessons learned, best practice guidelines and training modules generated, accessible, and disseminated (published) via PAMIMS platform	None	0 records	5 records	Http link PAMIMS		MENR
4.1.1 Web-based PA Monitoring and Information Management System (PAMIMS) designed, populated, operational and accessible for monitoring and information purposes.	Establishing online PAMIMS (shifting from offline to online system, linked to management plans)	Current system not online	PAMIMS populated by data	PAMIMS operational and online	PA annual report, which would include information on PAMIMS -Http link PAMIMS		
4.1.2 Landscapes and PAs Management Training Programme plus handbook designed, delivered and institutionalised, with international collaboration and exchanges as appropriate.	Trained MENR staff	No training programme, no staff trained	Programme designed and adopted by MENR	10 staff trained	MENR report		
4.1.3 Gender-sensitive M&E Plan in place to inform project implementation, decision-making and adaptive management.	M&E plan developed, adopted by PSC and under implementation	No M&E plan for the project	M&E plan adopted by PSC	M&E plan implemented	PSC minutes		PMU

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Annex B: Response to Project Reviews

Comment by Dr Katharina Stepping, Deputy Head of Unit Climate Finance, Federal Ministry for Economic Cooperation and Development (BMZ), Council, Germany made on 6/28/2019
Comment:

Azerbaijan: Conservation and sustainable use of biodiversity: Strengthening network of protected areas through advanced governance and management. 2,639,726 USD, FAO, GEF-ID = 10113.

Germany requests that the following requirements are taken into account during the design of the final project proposal:

<p>To ensure project sustainability, Germany recommends to include a clearer distinction between the activities of both components, as well as from an explicit explanation of how the components? activities feed into each other. A clear distinction between activities in component 1 and 2 is crucial in order to establish complementarity and effectiveness of activities. Many of the planned activities seem to be repeated in both components (such as assessments of the current state of governance and management structure as well as some of the capacity-building activities).</p>	<p>Components and activities have been mainstreamed so that there is no apparent duplication.</p>
<p>Under component 1, the project should identify those sectors to be targeted with policies for cross-sector decision-making. Further, the analysis of the current governance and management system should be taken a step further and result in concrete policy proposals.</p>	<p>Under Component 1, Integrated Land Management Strategy and Action Plan will be developed to ensure effective the corss-sectoral management of PAs and their surrounding landscapes. For this purpose all relevant strategies and policies were analysed and stakeholder consultations were conducted and this revision and consultations will continue during the project implementation stage to collect more detailed information as a baseline for the preparation of practical and implementable integrated action plan.</p>
<p>Under component 4, Germany would like to the planned awareness-raising campaign for decision-makers seems rather broad and untargeted. This stakeholder group seems to be already included under the capacity-development activities of the previous components. The awareness-raising campaign should therefore be more specifically targeted at additional stakeholders or otherwise considered to be omitted.</p>	<p>Knowledge, Atttude and Practice (KAP) survey at the beginning of the project will ensure identification of gaps and needs at all stakeholder level and also to define the directions of strategy in a way to maximaze the efficieny of the use of resources allocated for the awareness rasing and capacity building activities.</p>

<p>In addition, under component 4, the planned communications strategy targeted at ?particular audiences? seems to be undefined and untargeted. The project as such does already address a very broad set of stakeholders. The rationale for targeting additional audiences with the communication strategy should thus be more clearly explained during project development. The project would benefit from identifying the target audience from the start in order to ensure that there really is an additional audience to be addressed and to avoid inefficient use of resources.</p>	<p>Considered and incorporated to relevant sections accordingly.</p>
<p>A successful implementation of the proposed project will depend on a realistic estimation of the possible level of co-financing. Overall, the amount of co-financing from governmental sources might seem somewhat high and the final project document should therefore explain in detail the envisaged co-financing from governmental sources (for example what kind of in-kind contributions are to be expected).</p>	<p>This has ben discussed with government in details and co-finance information has been obtained based on real estimation done by government partners considering the in-kind contribution and as well as real investments during the project lifetime and beyond.</p>

Comment by James Woodsome, International Economist, Office of International Development Policy, International Affairs, U.S. Department of the Treasury, Council, United States made on 7/3/2019

Comment:

? United States Comments

10113 Conservation and sustainable use of biodiversity: Strengthening network of protected areas through advanced governance and management; Azerbaijan

<p>a. Capacity building. Enhanced capacity building in the spatial sciences would be a useful complement to this project, as it is particularly key to enabling integrated land, water and natural use decision-making and planning in institutions across sectors, at both the national and local levels. Additionally, there seems insufficient focus presently on capacity building across diverse stakeholders, including private landowners and business owners.</p>	<p>Knowledge , Attitude and Practice (KAP) survey at early stage of the project will identify the gaps at different focus group levels and will help to develop more detailed capacity building programme targeted to spcifici needs of each group. Integrated Land Management Strategy and Action Plan also will include comprehensive capacity building component which will also stay beyond the project life. Component 4 is dedicated to enhancing capacity on integrated management at all levels, including farmers, private land owners, government stakeholders and all other involved parties.</p>
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b. Data management and sharing. This project will generate a significant amount of spatialized data, which must be properly harmonized, maintained and shared across government agencies and other stakeholders. It is not readily apparent that the project envisions ongoing operations and maintenance, which would represent a serious gap in the project's durability, and its ability to engage in long-term capacity building.

Project components considers the gap and need for improvement data management system and one of the main aim is to improve this situation at national level in Azerbaijan. Its planned to establish system using the pilot project sites and incorporating all other protected areas data management systems to thorough national authority under the Ministry of Ecology and Natural Resources. This system will play crucial role for the improvement of the overall management of the biodiversity and protected areas in Azerbaijan through harmonized and well managed data base and enhanced capacity of the relevant stakeholders which will stay also beyond the project lifetime.

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status
in the table below:**

Annex C: Status of Utilization of Project Preparation Grant (PPG)

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Activity 1: Elaborate component 1	9,000	6,000	0
Activity 2: Elaborate component 2	15,300	14,500	0
Activity 3: Elaborate component 3	29,000	25,000	0
Activity 4: Elaborate component M&E	7,000	0	0
Activity 5: Stakeholder consultations & gender mainstreaming	17,900	25,700	0
Activity 6: Preparation of GEF submission package	28,800	28,800	0
Total	100,000	100,000	0
Co-financing amount	13,600	13,600	0

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Figure 1: Overall location of Shirvan and Hirkan NPs in Azerbaijan

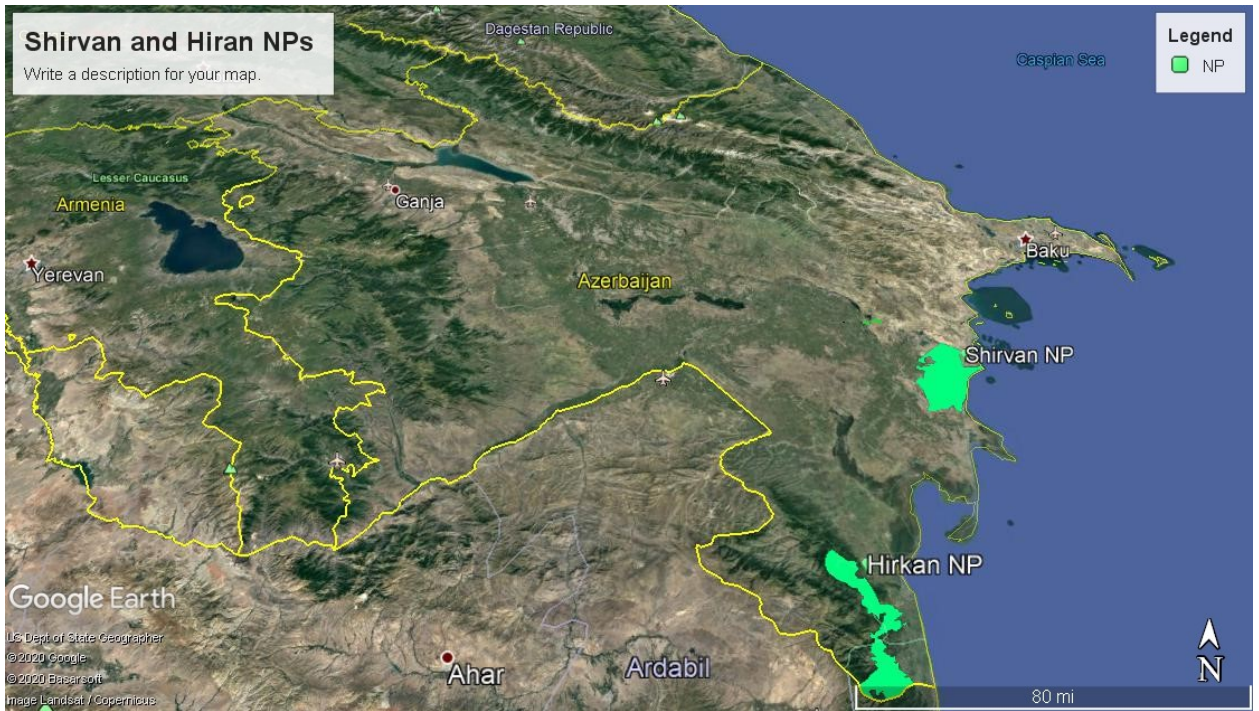


Figure 2: Shirvan NP and its sanitary protection zone

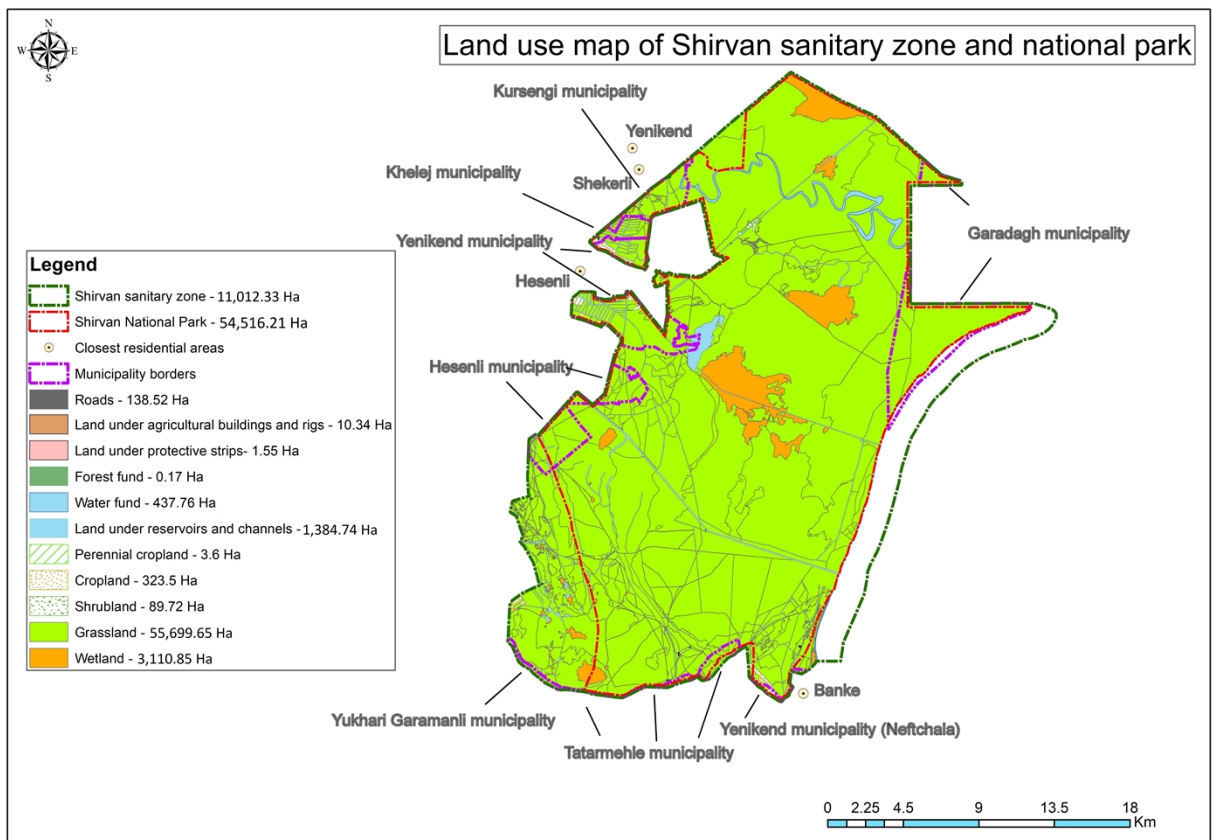



















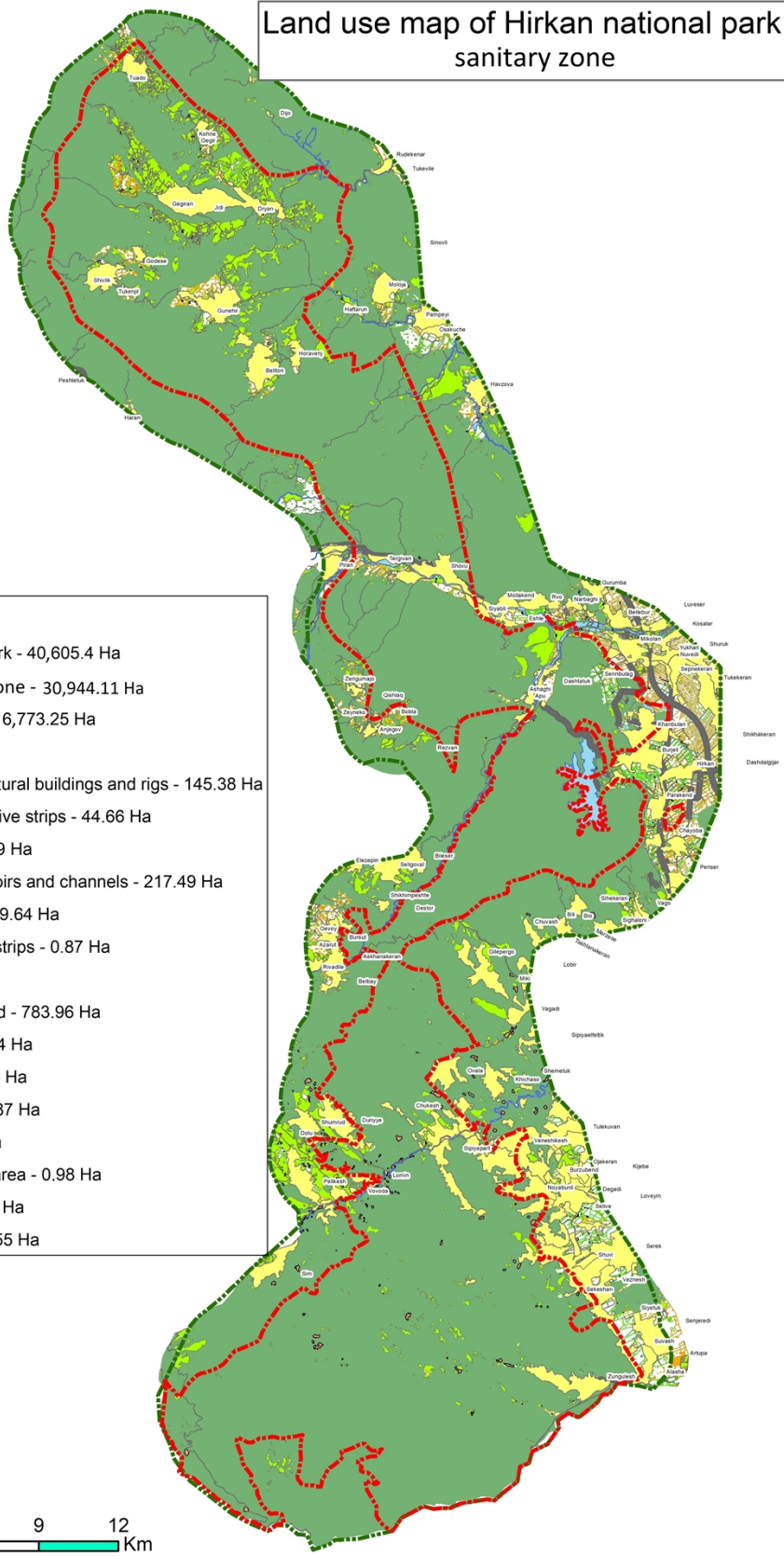


Figure 3: Hirkan NP and its sanitary ? protection zone

Land use map of Hirkan national park and sanitary zone

Legend

	Hirkan National Park - 40,605.4 Ha
	Hirkan Sanitary Zone - 30,944.11 Ha
	Residential areas - 6,773.25 Ha
	Roads - 365.83 Ha
	Land under agricultural buildings and rigs - 145.38 Ha
	Land under protective strips - 44.66 Ha
	Water fund - 537.99 Ha
	Land under reservoirs and channels - 217.49 Ha
	Forest fund - 55,159.64 Ha
	Land under forest strips - 0.87 Ha
	Hayland - 1.17 Ha
	Perennials cropland - 783.96 Ha
	Cropland - 2,132.14 Ha
	Shrubland - 732.45 Ha
	Grassland - 4,611.87 Ha
	Wetland - 40.62 Ha
	Special protected area - 0.98 Ha
	Greenhouse - 0.66 Ha
	Unusable land - 0.55 Ha



ILMSAP meetings (2 per year)	Meeting	500	10	5,000				5,000		5,000	1,000	1,000	1,000	1,000	1,000	
Stakeholder meeting (2 per park per	Workshop	1,500	8	12,000				12,000		12,000	4,000	4,000	0	0	0	
Sust. Financing workshop	Meeting	1,500	7		10,500			10,500		10,500	2,000	2,000	1,000	1,000	1,000	
PAMIMS workshops (2 per park-yr)	Workshop	1,000	20		20,000			20,000		20,000	4,000	4,000	4,000	4,000	4,000	
ILM meetings	Meeting	500	10			5,000		5,000		5,000	1,000	1,000	1,000	1,000	1,000	
Alternative livelihoods	Workshop	1,000	14			14,000		14,000		14,000	4,000	4,000	2,000	2,000	2,000	
M&E reporting	Meeting	500	10				5,000	5,000		5,000	1,000	1,000	1,000	1,000	1,000	
Inception Workshop	workshop	5,000	1				5,000	5,000		5,000	5,000	0	0	0	0	
								0		0						
5023 Sub-total training				17,000	30,500	19,000	10,000	76,500	0	0	76,500	22,000	17,000	10,000	10,000	
5024 Expendable procurement																
Camera	Unit	1,000	4	0	4,000			4,000		4,000	4,000	0	0	0	0	
Laptops/desktops	Unit	2,000	8					0	16,000	16,000	16,000	0	0	0	0	
Printer	Unit	1,000	1					0	1,000	1,000	1,000	0	0	0	0	
Expendables (3 offices)	Annual	3,600	0					0	0	0	0	0	0	0	0	
5024 Sub-total expendable procurement				0	4,000	0	0	4,000	0	17,000	21,000	21,000	0	0	0	
6100 Non-expendable procurement																
				0				0		0						
								0		0						
6100 Sub-total non-expendable procurement				0	0	0	0	0	0	0	0	0	0	0	0	
5028 GOE budget																
(Lump sum) misc. expenses	Lumpsum	1	11,226					0	3,726	3,726	745	745	745	745	746	
								0		0						
6300 Sub-total GOE budget				0	0	0	0	0	3,726	3,726	745	745	745	745	746	
TOTAL				533,675	613,550	940,425	299,625	2,387,275	123,725	128,726	2,639,726	618,845	628,095	494,445	424,845	465,996

SUBTOTAL Comp 1	533,675
SUBTOTAL Comp 2	613,550
SUBTOTAL Comp 3	940,425
SUBTOTAL Comp 4	299,625
Subtotal	2,387,275
M&E Budget	123,725 5%
Project Management Cost (PMC)	128,726 5%
TOTAL GEF	2,639,726

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).