

Towards a Land Degradation-Neutral Azerbaijan

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10708

Countries

Azerbaijan

Project Name

Towards a Land Degradation-Neutral Azerbaijan

Agencies

FAO

Date received by PM

2/28/2022

Review completed by PM

5/19/2022

Program Manager

Asha Bobb-Semple

Focal Area

Land Degradation

Project Type

FSP

PIF ☐

CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

5/25/2022:

CLeared.

5/24/2022:

Please see follow up comment below:

The expected implementation/completion dates do not match the duration stipulated.
Please amend.

3/11/2022:

Yes

Agency Response

May 25, 2022:

Point taken, please note that the dates have been reviewed for consistency as requested.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes. Table B is well thought out.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request
4/29/2022:

Cleared.

3/11/2022:

-Co-financing letters from the Ministry of Agriculture and Azersun appear to be missing. Please include.

Agency Response

16 May 2022

No response required

April 27, 2022

Thank you for the comment. Please note that co-financing has been revised throughout the CEO Endorsement request in the GEF Portal and attached project document. The co-financing letter from the Ministry of Agriculture has been uploaded.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

5/25/2022:

Cleared.

5/24/2022:

Please see follow up comment below:

A Chief Technical Advisor is being charged across components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. For this project, the co-financing portion allocated to PMC is 663 K, and almost 750 K of the co-financing are represented in grants ? please use the co-financing portion or explore other possibilities (Agency's own-managed trust funds or funds from other co-financiers) to cover the costs associated with the project's execution (project's staff).

5/18/2022:

The execution related costs/budget implications are cleared.

4/29/2022:

-In relation to the Coordination function of FAO, please clarify and include in the budget the following:

1. What are the costs that FAO will get reimbursed for to ?execute? some functions, and (to pay for FAO procurement staff etc).
2. What are the sums of \$ that will be administered by FAO as part of the execution role (salary of project consultants, money for plane tickets of project participants, etc.)

3/11/2022:

- The Project management consultant is a PMC cost and should be assigned accordingly.
Please revise.

Agency Response

May 25, 2022:

Thank you for the comment. The Chief Technical Advisor has now been removed from the project budget and execution arrangements description in the GEF Portal and attached Agency Project Document.

16 May 2022

Similarly to what was done in Nicaragua, FAO will support the Government of Azerbaijan build their project management capacity by supporting project execution during the first year. FAO will transfer full project management to MENR at the end of the first year of implementation.

FAO will support project execution the first year and will administer the first year budget (i.e. \$430,529 as reflected in column L). FAO will charge \$6,240 for procurement and financial support. This corresponds to the first year amount budgeted for the Procurement/finance specialist (NC-15).

In order to build partner's operational capacity, a consultant will be hired by FAO (NC-13) to work with staff of the Ministry of Ecology and Natural Resources (MENR). This consultant will be physically located within the PMU in the MENR.

April 27, 2022

Point taken. Please refer to an updated project Budget on Annex E in which we have deleted the Management consultant. The Execution arrangements section has also been updated accordingly. Please also refer to the answer below about updates in the coordination section of the CEO Endorsement Request.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

5/25/2022:

Cleared.

5/24/2022:

Please see follow up comment below:

The amount spent to date and the amount committed does not add the budgeted amount. Please make sure the numbers add up and provide detailed information on the activities funded through the PPG (as requested in the template).

3/11/2022:

Yes

Agency Response

May 25, 2022:

Point taken, Annex C has been revised in the GEF portal and attached agency project document to address this comment. The amount spent to date plus the committed amount now matches the budgeted amount. We are also including details for the expenses.

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

5/25/2022:

Cleared.

5/24/2022:

Please see follow up comment below.

Please include all of the Core Indicators and their targets in the Results Framework (Annex A). GEF Core Indicators should be explicitly mentioned in the Results Framework in Annex A.

4/29/2022:

Cleared.

3/11/2022:

-Following the guidelines below the core indicator table of the Portal submission, please provide details on how the targets are being accounted including any changes since PIF stage.

Agency Response

May 25, 2022:

Thank you for this comment. GEF Core Indicators have now been included in the Results Framework as requested.

16 May 2022

No response required

April 27, 2022

Thank you for this comment. Details on how the Core Indicator targets will be achieved have been added under the explanation table for Core Indicators on the CEO Endorsement Request in the GEF Portal and Attached Agency project Document.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

4/29/2022:

Cleared.

3/11/2022:

Please include relevant baseline projects.

Agency Response

16 May 2022

No response required

April 27, 2022

The section 1.2 Baseline scenario and any associated baseline projects has been updated in the GEF Portal CEO Endorsement Request and attached Agency Project document to include relevant baseline projects.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

4/29/2022:

Cleared.

3/11/2022:

The alternative scenario is clear and well presented. Please consider the comments below:

-Please include assumptions in the Theory of Change diagram or discussion.

-Clarification is needed on the pathways of the ToC. At the moment it appears as if all the drivers will be addressed by Component 2. Is this meant to be the case? Please clarify which components will be addressing specific drivers?

Agency Response

16 May 2022

No response required

April 27, 2022

Points taken. The Theory of Change Diagram has been adjusted to include assumptions.

In addition. The theory of change has been edited to clarify and explain the pathways and how each component addresses each driver.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

4/29/2022:

Cleared.

3/11/2022:

No please insert in the portal.

Agency Response

16 May 2022

No response required

April 27, 2022

We have updated section 1b Project Map and Coordinates to Include: Project Site description, coordinates and map.

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

4/29/2022:

Cleared.

3/11/2022:

-Please select in the portal the stakeholders that have participated in consultations during the project identification phase.

Agency Response

16 May 2022

No response required

April 27, 2022

The selection of stakeholder that have participated in consultations during project preparation have been revised and selected, where appropriate.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

5/27/2022:

Cleared.

5/24/2022:

Please see follow up comment below.

Gender perspectives are adequately reflected in the document. As the project specifies socio-economic benefits to women and men, including through improved livelihoods, income generation and job creation, the agency is requested to reflect this under Section 3. Gender Equality and Women's Empowerment. Please tick the box "Generating socio-economic benefits or services or women" under Section 3.

4/29/2022:

Cleared.

3/11/2022:

-We note that the gender analysis provides very little details on the current context as it relates to gender, and is also lacking in statistics and data. Please include more comprehensive information which would have informed the preparation of the gender related interventions and gender action plan.

Agency Response

May 25, 2022:

Point taken the box ?Generating socio-economic benefits or services for women? has now been ticked

16 May 2022

No response required

April 27, 2022

The Gender analysis has been updated providing the requested information. In addition, a Gender Action Plan for project Implementation has been uploaded to the GEF Portal.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

5/25/2022:

Cleared.

5/18/2022:

Given the additional information provided in the review sheet and the project submission the FAO Execution arrangements are cleared on condition of receipt of the updated OFP letter with the justification and rationale for requesting FAO execution support.

4/29/2022:

Thank you for submitting the OFP letter of support.

-On the OFP letter, the justification and rationale for requesting FAO execution support needs to be included.

-The justification for the execution support by FAO has also not been detailed in the project submission. Please provide these details and include them under the Coordination section of the project submission. Please also include in the project submission the full details (as spelled out in the OFP letter) of all of FAO's execution support services. Currently the support outlined is very vague.

- Please remove this language from the Coordination section. *Based on the findings FAO may decide to transmit full implementation of the project to PMU'*

Given the budget includes support for a Capacity Building Consultant, we recommend that concrete plans are put in place for full hand over of execution functions to the Government after Year 1 of implementation. This language should be included under the coordination section as well as conditions under which the functions will be handed over.

3/11/2021:

Please provide justification for the execution functions that will be carried out by FAO as indicated by the text below. Please also provide a letter of endorsement from the OFP for the execution support services that FAO intends to provide. We note the following:

- 'Full time Project Management Consultant (hired by FAO) to help development of project management capacity of PMU?
- 'Chief Technical Advisor to support project implementation and ensure high quality of deliverables (technical) (also to be hired by

FAO)'

- Under FAO responsibilities ?Support project Executing Agency (PMU under MENR) in implementation of the project activities during the early stages of the project (at least one year)?
- 'The MENR will also implement UNDP funded project and the PMU will be responsible for both projects. Therefore, FAO will work and develop joint capacity building programme together with UNDP. Aim is to establish well-functioning PMU which will be main implementation body under the MENR. This will ensure sustainability of capacity within the government institution. FAO will conduct capacity assessment after one year project implementation period to evaluate the progress within the PMU in terms of operational, administrative and financial management. Based on the findings FAO may decide to transmit full implementation of the project to PMU'

Agency Response

16 May 2022

Noted. Justification for support is included in the project submission under Coordination section of the project, including the hand-over process. Requested language has been removed.

The following text was added as paragraphs 147-150 (text in yellow is new text):

Execution support during first year of implementation

147. The MENR will also implement UNDP funded project and the PMU will be responsible for both projects. Therefore, FAO will work and develop joint capacity building programme together with UNDP. Aim is to establish well-functioning PMU which will be the main implementation body under the MENR. This will ensure sustainability of capacity within the government institution. FAO will conduct a capacity

assessment by the first year of project implementation period to evaluate the progress within the PMU in terms of operational, administrative and financial management. FAO will transfer full implementation of the project to PMU (MENR) after the first year of implementation.

148. During the first year of project implementation, FAO will provide administrative support to MENR. This request is made because the government of Azerbaijan wishes to strengthen its capacity to execute internationally funded projects and programmes. FAO and UNDP will help build this capacity in the context of GEF operations. FAO administrative support, which will be done in close coordination with the PMU, includes (i) the hiring of national and international consultants, entering into contracts with partner institutions, organizing trainings and travel for project stakeholders, and purchase equipment for the MENR as identified in the project budget for Year 1; and (ii) overseeing project implementation in accordance with the Project Document, work plans, budgets, agreements with co-financing partners, Operational Partners Agreement (OPA), and other rules and procedures of FAO.

149. In line with the project budget for Year 1 (budget line 18, NC15) FAO will charge a total of \$6,240 to carry out the procurement and financial management activities related to points (i) and (ii) above. As discussed in paragraph 144 above, FAO will hire an Organizational Capacity Development Consultant (OCDC, hired by FAO for 200 days) to help build project management capacity of the PMU under Component 3. The OCDC will be located within the PMU in the MENR. During Year 1, the OCDC will support the PMU for a total of 80 days. Starting on Year 2, project resources not executed (estimated at \$1.67 million) will be transferred to the MENR via an Operational Partner Agreement. The OCDC will continue to provide support during Year 2 (50 days) and Year 3 (20 days) at a decreasing rate to ensure smooth transition of resources management to MENR.

150. MENR will continue to be responsible for the day-to-day management of project execution, as well as coordination and cooperation with project participating institutions, community organizations, and other project stakeholders, through the structure and mechanisms to be defined above. This includes leading the preparation of Annual Work Plans, leading the preparation of terms of reference for consultants and contracts for project partners, technically clearing reports and assessments prepared by project partners in order to authorize payments, and leading the preparation of six-monthly implementation reports (including the annual Project Implementation Report, PIR).

April 27, 2022

Please refer to the Institutional Arrangements section in the GEF portal and attached Agency Project Document that has been updated. A letter of support from the OFP has also been uploaded to the GEF portal supporting the execution arrangements mentioned therein.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

5/18/2022:

Cleared

4/29/2022:

It is not clear where this update has been made. The Alignment with National Priorities section still makes no reference to the UNCCD or the countries commitment under the UNCCD including their National Action Program.

3/11/2022:

- Please indicate alignment with plans or strategies related to the UNCCD such as the NAP.

Agency Response

16 May 2022

Thank you for the comment. New text has been added to the first paragraphs of section 7 (Consistency With National Priorities to Clarify this issue). Please note that currently Azerbaijan lacks a National Action Programme (NAP) to implement UNCCD targets and has not finalized the target setting process of the national voluntary LDN targets. However, as added to the Project Document and CEO Endorsement Request, we now mention:

?Azerbaijan ratified the UNCCD in October 1998 and has initiated the process to to develop a National Action Plan; as well as the LDN target setting process. The project will support these processes to strengthen the enabling environment for LDN. The

project is consistent with and will support the implementation of the National Drought Plan (2020), in particular with the establishment of a national drought indicators system, the implementation of water conservation practices through improved sustainable use of land and water for agriculture and raising awareness?

April 27, 2022

Thank you for the comment. We have provided additional information under the relevant section of including the alignment and consistency of this GEF project with current National Priorities.

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response
Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response
Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

5/25/2022:

Cleared.

5/24/2022:

Please see follow up comment below:

The sum of all the budget costs does not add up to the total provided in the table (\$111,600). The budgeted M&E activities: 5,000+35,500+15,000+20,000+40,000=\$115,500. Please review and confirm the total budgeted for M&E.

3/11/2022:

Yes

Agency Response

May 25, 2022:

Point taken. The budget for M&E has been revised and is now consistent across the budget table, and M&E plan table. The individual cost of each activity has also been revised to match the total amount allocated for M&E.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Not fully.

Agency Response
April 27, 2022

Annexes has been revised and completed.
Project Results Framework

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request
3/11/2022:

Yes

Agency Response
STAP comments

Secretariat Comment at CEO Endorsement Request

4/29/2022:

Cleared.

3/11/2022:

No. Please include responses to STAP comments in the portal. These are available here. file:///C:/Users/wb495262/Downloads/3d5a909d-3fff-ea11-a815-000d3a337c9e_STAPReview.pdf

If the above link is not working please access the STAP comments here https://www.thegef.org/wb_work_program/12/01/2020/59

Agency Response

16 May 2022

No response required

April 27, 2022

Answers to STAP Comments have been included on Annex B: Response to Project Reviews.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

3/11/2022:

Yes

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

4/29/2022:

Cleared.

3/11/2022:

Please insert the maps and coordinates under Annex D.

Agency Response

16 May 2022

No response required

April 27, 2022

Site description, Coordinates and Maps have been inserted into Annex D. Project Map and coordinates.

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

5/25/2022:

The project is technically cleared and recommended for CEO Endorsement.

5/24/2022:

Please address the follow up comments prior to clearance.

5/18/2022:

The CEO Endorsement is technically cleared. Note the updated OFP letter justifying FAO execution support needs to be submitted.

4/29/2022:

Not at this time. Please address the comments above.

3/11/2022:

Not at this time, please address the comments above.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	3/11/2022	
Additional Review (as necessary)	4/29/2022	
Additional Review (as necessary)	5/18/2022	
Additional Review (as necessary)	5/24/2022	
Additional Review (as necessary)	5/25/2022	

CEO Recommendation

Brief reasoning for CEO Recommendations