

Towards a Land Degradation-Neutral Azerbaijan

Review PIF 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

9/28/2020

Review completed by PM

10/23/2020

Program Manager

Asha Bobb-Semple

Focal Area

Land Degradation

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

10/02/2020:

Yes

Agency Response No response needed.

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

10/30/2020:

Cleared.

10/27/2020:

After further review by the GEF Secretariat, please see additional comments below.

In keeping with GEF Policy Guidelines, there is no proportionality in the co-financing contribution to PMC – it should be around 5% as with the GEF contribution. Hence, for a co-financing of \$16,700,000, the expected contribution to PMC must be around \$835,000 instead of \$240,000. Please amend. Otherwise, please provide justification for an allocation of less than 5%.

10/22/20:

Thank you for the responses.

Please ensure that at PPG stage, the timeline of 4 years is considered prior to the submission of the CEO ER.

10/02/2020:

Not fully.

- The PMC is co-financed at a much lower ratio, which will not be sufficient to cover execution costs. Note that all costs related to execution have to be paid by PMC (GEF & co-finance).

-Please consider increasing the timeline of the project to at least 4 years given the efforts and time usually required for project initiation.

-We note that over all there a quite a number of Outputs. A few of these could be classified as activities (for example Output 1.1.1 is an activity that would help to achieve Output 1.1.2). Additionally, some of the Outputs can also be merged- for example the KM related outputs, Output 1.2.1-the National DLDD monitoring system together with Output 1.2.1- setting the baseline data. Please review and make adjustments where possible.

Component 1

-There is no mention of integrating LDN in land use planning frameworks which is a key enabling environment activity and responds to the 'Avoid' in the mitigation hierarchy.

-We note the following target has been included 'Amount of funding mobilized for LDN implementation (approximately 15.000.000 USD)' Please clarify which Output supports the achievement of this target.

Component 2

- We note that 34,000 ha is being targeted for improved land management, while only 2700ha will benefit from actual field-based interventions SLM. Can you clarify the wide disparity in these numbers and the basis for the significantly lower direct GEBs.

- We note that 200ha will be rehabilitated on 'land reclaimed'. Can you explain the cause of degradation of this portion of land? When rehabilitated please confirm whether or not it will be used for productive purposes within the scope of GEF financing- agriculture or forests?

- How many of the 100 beneficiaries outlined here will be farmers?

Agency Response

29/10/20

PMC amount in co-financing contribution is revised accordingly to be around 5% of total co-financing amount.

PMC co-finance cost has been increased from 100 000 to 240 000 USD in discussion with MENR.

Project duration: It has been extended to 4 years.

Component 1:

Outputs 1.1.1 and 1.1.2 have been merged, while development of all knowledge-related products under 1.2.2. have been moved to Component 3 and outcome 3.1. Knowledge management and lessons learned disseminated at national level. Outcome 1.3. now specifically refers to integration of LDN principles in land-use planning frameworks, which in turn will support decision-making processes. The USD15 million mobilized to LDN implementation is linked to output 1.3.2 National LDN targets timeframe and funding required identified. The activities related to mainstreaming of LDN in sector budgets are explained in the narrative part,

The output 1.1.3 was revised to consider integrating LDN in land use planning frameworks.

Also, the project will support development of LDN policy framework considering international obligations and national priorities. These will help to identify targets objectives in consultation with other relevant government institutions. Under Outcome 1.3 and relevant Outputs are supporting achievement of this target. MoA in discussion with MoF will allocate budget accordingly

Component 2:

Thanks to development and implementation of land-use plans on 34,000 ha land degradation will be avoided over most of this area, but it will be significantly reduced on 2,000 ha thanks to afforestation and reversed on a total of 700 ha (500+200). We have thus revised the indicator of 34,000 to 31,300 ha where LD will be avoided. The 200 ha of land that will be reclaimed is salinized land. Apart from planting trees, this plot will receive green manure and other organic fertilizers to increase the productivity of the pasture.

All of the direct beneficiaries will be farmers and the number is now 23,000, the same as in Table F. The number 100 referred to training of farmers and will appear at the activity level in the full ProDoc.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

10/30/2020:

Cleared.

10/27/2020:

Following further review by the GEF Secretariat, please see the comment below.

Co-financing from FAO is classified as “in-kind”. Please note that where co-financing truly meets the definition of "in-kind", it should typically be classified as "recurrent expenditures" rather than "investment mobilized". However, the description mentions that “FAO co-financing: Potential co-finance sources would be pipeline projects as TCP Facility on Apiculture Beekeeping, TCP Facility on Water Governance and Management, FAO-Turkey Partnership Projects on Forest Restoration, Conservation of Forest Biodiversity and Improved Forest Management.” This seems to be more in line with “grant” and “investment mobilized”. Please revise.

10/22/2020:

During the PPG stage, as the cash co-financing is finalized, please ensure that it will actually contribute to the delivery of GEBs under the project.

10/2/2020

Not fully.

-FAO and government should make an effort to mobilize not only in kind resources. As the GEF funding is only \$2 million, how will the outputs/outcomes be achieved without additional sources of funding? As these areas are all close to Baku, their capital city, there must be funding available to promote a better environment around the capital?

-One other source of co-financing to explore is maybe the ELD program of GIZ? Has ELD (Mark Schauer at the GIZ) been approached/consulted?

•

Agency Response

29/10/20

FAO co-financing is revised accordingly and reclassified as Grant.

Revised accordingly in the relevant part of the PIF in discussion with partners. Some of the in-kind contributions changed to cash in table. As we do not know the exact locations of pilot sites it is difficult to identify other funding sources at this stage. But we will definitely consider it in PPG phase when we will have clear locations and it will be possible to discuss in details other co-finance sources, including funding for promoting a better environment around and in the capital

The GIZ Azerbaijan has been contacted and currently there is no action/planned activity in Azerbaijan on this direction.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

10/2/2020

Yes.

Agency Response No response needed.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/2/2020

Yes.

Agency Response No response needed.

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020

Yes.

Agency Response No response needed.

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020

N/A

Agency Response No response needed.

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020

N/A

Agency Response No response needed.

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020

N/A

Agency Response No response needed.

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020

N/A

Agency Response No response needed.

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020

Yes.

Agency Response No response needed.

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

10/30/2020:

Cleared.

10/27/2020:

After further review of the GEF core indicators and the breakdown provided as below, please double check whether or not Sub-indicator 4.3 should be 31,300 rather than 34,000ha to avoid double counting.

34,000 ha of landscape under improved SLM practices thanks to participatory land-use planning leading to enhanced ecosystem resilience. According to the UNCCD LDN response hierarchy, this can be divided into:

- o 31,300 ha of avoided degradation through improved management.
- o 2,000 ha with reduced degradation through afforestation, and
- o 700 ha with reversed degradation on saline lands.

10/22/2020:

Thank you for the responses.

During PPG stage, please continue to do careful accounting of the expected targets/GEBs.

10/2/2020:

Not fully

-How is the target of 34,000ha under Sub-Indicator 4.3 being accounted for? According to the project documentation, only 2700ha will directly benefit from SLM/restoration practices. Please clarify/revise.

-Sub-Indicator 3.2 indicates 2000ha of land restored. However according to the PIF, afforestation will take place on this land. Please clarify if this land was originally forested land that was then cleared and degraded and what was the cause of the degradation. If it was/is not forested land Sub-Indicator 3.2 is not the appropriate selection.

--Core Indicator 11- Who is included in this figure? Please provide a breakdown. This figure does not align with numbers in Table B which amount to 340 beneficiaries.

--In general we note the GEB estimates are low, especially the number of beneficiaries (as outlined in Table B), given the project areas are in peri-urban areas. Again here cash/grant co-financing rather than only in kind, could help in this regard.

Agency Response

29/10/20

Revised accordingly to 31.300 ha.

The 34,000 ha of landscape under improved SLM practices thanks to participatory land-use planning leading to enhanced ecosystem resilience. According to the UNCCD LDN response hierarchy followed in all FAO LDN projects, this can be divided into:

- 31,300 ha of avoided degradation
- 2,000 ha with reduced degradation, and
- 700 ha with reversed degradation.

The restored land under the Sub-Indicator 3.2 does not include forest land. The project aim to restore areas previously used as agricultural lands through forestation. Also the degradation of these lands occurred due to salinization and wind erosion mostly and as a result of unsustainable urbanization. Absheron area is used mostly for growing of olive trees and we can use these past practices to restore the degraded lands which will also help improve productivity and fertility of the area. The project aims to restore areas previously used as agricultural lands through olive cultivation (planting of the agricultural value trees/orchards).

The project will also create co-benefits for 23,000 beneficiaries (11,000 male/12,000 female) that belong to farming households. The previous number of 100 given in the Project Framework was based on a misunderstanding and referred to a training target (see response under point 2 above).

Also, as explained before, cash/grant co-financing has been updated based on discussions with the MENR

All This information has also been updated in the PIF.

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Please ensure to include the climate related taxonomies in the portal entry at the CEO Endorsement stage.

10/2/2020:

Not fully. Please consider adding climate resilience to the Taxonomy given the selection of Rio Marker 1 for CCA.

Agency Response

Climate Resilience and other Climate Change markers are added to the project taxonomy.

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020

Not fully

-There needs to be some mention in the present context as it relates to COVID in general and specially in relation to the focus of the project.

- The context indicates that '*extensive areas are polluted by petroleum industry, leading to the exclusion of potentially productive land from the use in agriculture*'. Please note that the GEF only focuses on degradation in productive landscapes (agriculture and forests). What portion of the targeted landscape for GEF financing is currently productive landscape? If the landscapes are productive and the industrial areas are adjacent, what are the mechanisms to ensure that this driver of land degradation does not encroach on rehabilitated land ? What is the prospect of further degradation during and after the project?

-Please provide some context as it relates to the private sector?

-Please integrate information on the Gender context here.

Agency Response

COVID impacts and analysis have been included. The COVID - 19 crisis revealed that there is urgent need to rehabilitate degraded agricultural land to strengthen resilience to a potential food crises. The project will thus evaluate the natural capital and ecosystem services their role in creating more resilient agriculture, leading to a more stable food system.

Target landscapes are productive landscapes previously used for different purposes, including industry. Selected target areas are not oil contaminated areas, but they suffer from salinization due to poor irrigation practices. The current governmental priority is to increase the area of the productive lands at the Abseron peninsula to increase agricultural production.

The oil industry currently mostly focuses on off-shore resources. The Absheron area is not used for oil production any more (only in few areas it still remains). So currently the government is implementing rehabilitation and restoration projects on formerly polluted areas. We do not expect any further pollution due to the oil industry. For this reason, areas that we will select will be non-oil degraded lands as described in several parts of the document and also there is no risk of future pollution.

Additional information on the private sector has been included throughout the PIF and the project will be designed to identify and create incentives for private sector investment in SLM.

Gender information has been included in the design of the project components and when selecting the sustainable land and water management practices and technologies that will be promoted by the project, gender analysis will be made to assure that practices and technologies are gender inclusive and can benefit men and women equally.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020

Not fully.

Are there any current or planned activities to address the contamination of the landscape?

Agency Response

As described in the previous comment, contamination problems in the Absheron is a high priority for the Government. Since several years, many projects have been implemented and are currently also ongoing. With regards to future contamination it should be noted that the oil industry in Azerbaijan currently focuses on off-shore production. The Absheron area has very few oil extraction sites that are still used by the State Oil Company of Azerbaijan Republic - SOCAR. And it should also be noted that currently SOCAR developed its own environment policy to mitigate the negative impact to surrounding areas under the strict control of MENR. Therefore, future contamination risks are very minimal.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Thank you for the responses.

During the PPG stage, please further develop the ToC specific to the all elements of the project considering the specific context of the Azerbaijan.

10/2/2020

Not fully. Please address the comments below.

General

-Given the current context with the global pandemic, please include a brief narrative on how the project has identified potential opportunities to mitigate impacts created by COVID-19, to deliver GEBs and/or climate adaptation and resilience benefits, and to contribute toward green recovery and building back better. Is there an opportunity to consider how the project (within the mandate of GEF financing), can assist with any COVID related medium term impacts that may be faced by the country? Are any of the sites selected also hotspots for food insecurity or unemployment that may have been caused by COVID impacts? OR consideration for use of technology for SLM/LDN/sustainable agriculture for the project and in instances of future pandemics? Please refer to the GEF Guidance on incorporating COVID considerations in PIF submissions for further information. This is available on the GEF website here

<https://www.thegef.org/documents/project-design-and-review-considerations-response-covid-19-crisis-and-mitigation-future>

-Please include a Theory of Change, including narrative describing the causal pathways and assumptions as they relate to the integration of LDN in the enabling environment and the application of LDN on the ground through SLM/Restoration to enhance productive landscapes. Please refer to the STAP guidance on Theory of Change available here <https://www.stapgef.org/theory-change-primer>

- During the PPG we expect the ToC to be further developed and we suggest to make use of the LDN TPP tool as a guide develop LDN aspects of the project.

Component 2

- Will issues such as access to finance/credit be addressed to assist with the scale out of the SLM activities at the local level.

-In context of ELD: PIF should better outline the concept and why it adds value in the overall approach? We welcome the application, however, it lacks a clear linkage to the rationale of the project so far. Also, ELD is supposed to provide linkages to private sector engagement, are these considerations being made?

Component 3

- Consideration for how the project will utilize existing knowledge from related/similar projects in Azerbaijan and in the region should also be included in the KM plan.

Agency Response

The project will constantly monitor opportunities to address impacts generated by the COVID-19 crises through SLM and landscape restoration, generating multiple GEBs and promoting livelihoods, as indicated under component 3. A brief analysis on how the project can mitigate impacts created by COVID-19 has been included in component 2 but this aspect will be better explored during the PPG phase.

A simplified theory of change that builds on the preceding barrier analysis has been included and it will be further developed in the PPG phase and build on the LDN ToC developed by the UNCCD.

Component 2

This project will not focus on access to credit, but it should be noted that the Government, particularly MoA, is developing a number of approaches and systems to simplify the process to ensure the easy access of farmers and the private sector (working in agriculture) to financial resources. Linkages to the ELD have been elaborated and how it could be used to identify incentives for the private sector to get involved in implementation of SLM.

Component 3

A KM plan has been updated to address existing knowledge. There is not any unified mechanism for knowledge management and existing limited knowledge are divided among several governmental units. However, the project will work closely to support the formation of a unique knowledge management mechanism linked to LDN coordination and the intersectoral working group. Component 1 on creating an enabling policy and institutional environment for LDN mainstreaming and component 2 on field testing the LDN approach will generate lessons and experiences that will be widely shared. The dissemination, monitoring and evaluation system to be created under component 3 will establish tools and mechanisms to systematically collect data and to document lessons learnt. Knowledge management activities are planned from the onset and will support replication and upscaling both at national and regional level. The project will establish tools and mechanism to collect and systematize information on land degradation and will improve the reporting mechanism on LDN. The information collected will feed into a mechanism for decision support for LDN schemes. More specifically, knowledge products on SLM and LDN that integrate forest management, agroforestry and cropland use will be prepared and shared (including national targets and gender action plan). These product will include brochures, flyers, videos and other materials.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020:

Given the focus on peri-urban areas, are there specific contextual considerations being made in the PIF? With the closeness to Baku – are there elements of the Cities IP that can help with the design or need to be taken into account, i.e. influence of project area by demand/supply?

Agency Response

Elements of food security is incorporated in component 2, also the project will deliver ecosystem services and benefits to Baku as the rehabilitation of degraded areas improve soil and water quality. Possible links with the Cities IP and potential to support supply chains will be explored during the PPG.

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020

Not fully

Please present the Incrementation reasoning as a table showing the shift from the baseline scenario.

Agency Response

The incremental cost reasoning has been improved and is now presented in a table showing the shift from the baseline to the alternative scenario.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020

No.

-Please provide a brief narrative on the GEF related GEBs as well as the CCM and CCA benefits. We note that you have selected 1 for the CCA Rio Marker, so this would be necessary.

Agency Response

The GEBs and adaptation benefits have been clarified in the revised PIF.

Land degradation exacerbates the impacts of climate change and natural hazards such as droughts, heat-waves and dust storms. Through the project interventions, farmers and land users will be supported with practical skills to adopt and maintain SLM that increase resilience of the individual farms, community projects and landscapes to climate shocks, while improving the productivity of the land. This brings benefit to CCA. At the same time, the project will be beneficial for CMA since SLM practices will contribute to carbon sequestration. Restoring or rehabilitating degraded land and managing it sustainably may provide an effective way to ensure effective carbon sequestration, or avoided land degradation, considering the central role that soil organic carbon plays in both soil fertility and soil moisture management. Moreover, planned afforestation sequesters carbon in vegetation.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020

Not fully.

Innovation-Please clarify the innovate aspects of the project, in particular for Azerbaijan or this region.

Sustainability- How will the training activities outlined throughout the different components of the project be institutionalized?

-How will the monitoring framework and updating of data be maintained?

-Coordinating mechanism- Working Group be anchored in an existing intersectoral mechanisms to ensure continuity and scale up?

Scale up- The PIF indicates that ‘The enabling environment for the policy framework and new laws and regulations supporting the implementation of the Land Code, the Forest Code and the Water Code. How will this be translated to action on the ground in other areas?’

Agency Response

The innovative aspects for Azerbaijan have been clarified.

The institutional sustainability as well of capacity building activities have been clarified.

-Coordinating mechanism has been clarified

The scaling up approach has been clarified.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project’s/program’s intended location?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020:

Please include a map with descriptions in English so that it can be appropriately analyzed.

Agency Response

A new map in English has been added. The source is State Committee on Urban Planning and Architecture of the Republic of Azerbaijan.

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020

Not fully.

The role of some of the stakeholders (Private sector, Agrarian Research Centre, CSOs, Universities) in the project have not been identified. Even if not yet confirmed, please project an indication of the role that they can plan in project implementation.

Agency Response

The role of stakeholders such as the Private sector, Agrarian Research Centre, CSOs, Universities have been updated in the PIF.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020:

Not fully.

Please integrate the proposed gender considerations in the project description section.

Agency Response

Gender considerations have been integrated into the description of the alternative scenario in all three project components.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

However during PPG, please consider additional means by which the private sector can participate in the project such as in the capacity building program on LDN and ELD.

10/2/2020

Yes. The details are acceptable for the PIF stage. However please incorporate these elements into the project description.

Agency Response

The project description now includes identification of economic incentives for the private sector to invest in SLM to achieve LDN, as well as opportunities to leverage future investments.

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Thank you for the responses.

During PPG phase, please continue to assess the potential risks and mitigation measures for the current events in the Nagorno-Karabakh region.

10/2/2020:

Not fully.

-Please add additional brief information on the potential climate projections at national or local scale if available as well as the vulnerabilities. How these will affect the project? An indication of the technical and institutional capacities will be needed to address these.

-We note the inclusion of considerations for COVID. Please provide further details on the risks that COVID-19 poses for all aspects of project design and eventual implementation and how the situation may impact the delivering of Global Environment Benefits. You may refer to the GEF COVID Guidance for further information.

-Please include potential risks to the project (and the design stage in particular) posed by the current events in the Nagorno-Karabakh region. This could include a refocus of government priorities or financing and any other relevant repercussions. Please also propose mitigation measures.

Agency Response

CC screening for the project has been conducted and referred to in the background section and included as an anne.

Information on COVID has been included

Risk analyses regarding the events on the Nagorno-Karabakh region has been added

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

10/2/2020:

Yes

Agency Response No response needed.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020:

Please indicate how the project is aligned with UNCCD and the country's NAP.

Agency Response

The PIF has been updated to indicate how the project is aligned with UNCCD and the country's NAP

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Cleared.

10/2/2020:

Not fully.

Please indicate the mechanisms that will be utilized to make use of existing knowledge and lessons learned from ongoing related projects and initiatives.

Agency Response

The PIF has been updated to address this comment.

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 PIF/Work Program Inclusion

11/2/2020:

Explanation provided and pre-screening checklist and note to file uploaded. Cleared.

10/30/2020:

We note that the ESS rating has changed to moderate, but the ESS Pre-Screening Checklist that has been uploaded to the portal, does not align with this rating. Based on the explanation provided in the review sheet, shouldn't the safeguard below be ticked? We would need the detailed screening checklist to reflect the moderate rating.

SAFEGUARD 3 PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE

Would this project:

- introduce crops and varieties previously not grown, and/or;
- provide seeds/planting material for cultivation, and/or;
- involve the importing or transfer of seeds and or planting material for cultivation or research and development;
- supply or use modern biotechnologies or their products in crop production, and/or
- establish or manage planted forests?

10/27/2020:

Following further review by the GEF Secretariat please see additional comments below.

The Project Risk Certification (categorizing the overall ESS risk as low) has been indicated and some measures will be taken to re-confirm this finding at PPG stage. Considering the project context and activities, please provide the complete Environmental and Social Risk Identification – Screening Checklist (prepared for this project) and or provide some additional information on the screening of environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards).

10/2/2020:

Yes

Agency Response

02/11/20

Project-specific checklist has been uploaded to the Portal, along with the note on reclassification from low to moderate risk.

29/10/20

Please note that the risk classification for this project has been further reviewed by FAO Environmental and Social Management Unit. The project risk is reclassified from “low” to “moderate” due to the fact that although the foreseen environmental and social impact of project are likely to be positive, the project intends to support agricultural tree growing (olive trees) and introduce medicinal plants that can leads to some risk factors . This can result in the direct or indirect

procurement, supply or use of pesticides. In addition, if these crops and varieties are not previously grown in the region or if the project involves the importing or transfer of seeds and/or planting materials for cultivation or research and development then the risk should be moderate. In addition, the use of pesticides and whether or not the agricultural trees and medical plants are previously grown in the project area. An Environmental and Social Analysis (ESA) for Moderate Risk Projects including a Pest Management Plan is required. Please refer to the annex ESS explained for additional info on the process.

Part III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion
10/2/2020:

Yes

Agency Response No response needed.

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

No response needed.

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

10/30/2020:

The PIF is not yet recommended for clearance. Please address the comments on the ESS Risk Screening.

10/27/2020:

Following further review by the GEF Secretariat, please see the additional comments to be addressed under Co-Financing, Table B-PMC Costs, Environment and Social Safeguards and Core Indicators

10/22/2020:

The PIF is recommended for clearance.

10/2/2020:

The PIF is not recommended for clearance at this time. Please address the comments/questions outlined above.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	10/2/2020	
Additional Review (as necessary)	10/22/2020	
Additional Review (as necessary)	10/27/2020	
Additional Review (as necessary)	10/30/2020	
Additional Review (as necessary)	11/2/2020	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Azerbaijan a country with an area of 86,600 sq.km and population of 10.06 million is located in the region of the southern Caucasus Mountains. Azerbaijan is a mountainous country with extremely diverse natural conditions that vary from alpine meadows in high mountains and mountainous temperate forest of the Greater and Lesser Caucasus to wet subtropical forest in the extreme south-east of the country. The agricultural sector is the third biggest sector (8.7% of total GDP) with the total area of agricultural land is 4,777,500 ha. Land degradation and forest loss is driven by logging, local contamination of water and soils primarily by industrial activity (oil) and intensification of agricultural production and is exacerbated by the climate conditions. Based on dry bioclimatic conditions, strong anthropogenic pressure and the importance for the population of the country, one of the priority areas for combating land degradation is Absheron Peninsula (total

area of 2110 km), with only 6% of the total area having satisfactory environmental conditions. Challenges related to the enabling environment also do not facilitate the conditions needed to address land degradation problems or implement the LDN framework. The challenges include inadequate institutional coordination and governance, limited data, knowledge and experience to support decision making and action on the ground.

PROJECT OBJECTIVE: The objective of the proposed GEF project is to support the national efforts to develop and implement LDN national targets, and demonstration of SLM in Absheron Peninsula, contributing to rehabilitation of degraded lands and improved livelihood resilience.

COMPONENTS and RESULTS Component 1 – Strengthening of the enabling environment for land degradation neutrality by integrating LDN in existing sectoral policies and strengthening coordination, monitoring and decision making frameworks; Component 2 – Demonstrating the LDN approach in salt affected landscapes; Component 3-Knowledge management, monitoring and evaluation, to facilitate dissemination of project results to enable scale up of the LDN approach. The project aims to restore 2,700ha of degraded agricultural land and forests; improve the management of 34,000ha land through SLM; deliver climate co-benefits by mitigating the equivalent of 486,125 tCO₂e over the project lifetime and directly benefit 23,000 persons. In addition, Azerbaijan is one of over 124 countries that have voluntarily committed to set LDN targets under the UNCCD and this project will assist in setting these targets.

INNOVATION, SUSTAINABILITY, SCALE-UP: The project will introduce new knowledge on innovative SLM practices that have not been widely demonstrated in Azerbaijan as well as the concept of Economics of Land Degradation where the assessment of the current natural capital of the land, the assessment of the economic effect of action vs. inaction and the related incentives of farmers and the private sector to engage in SLM and LDN schemes, and to develop decision-making tools for where and how to invest in SLM. The key sustainability aspect is that the proposed LDN system will be integrated into national policies and programmes as well as monitoring systems to ensure continuity at the institutional level. Additionally, the inter-sectoral coordination mechanisms on SLM, DLDD and for LDN will be embedded in the mandate of MENR. Adoption of land-use planning frameworks at national level that integrate the LDN principles and targets in key legislation will be the main vehicle for scaling up of LDN and SLM in Azerbaijan. This can help to facilitate resource mobilization for LDN across sectors from not only public investments but also attract the private sector.