

Capacity Building for Azerbaijan to Meet the Requirements of Enhanced Transparency Framework of the Paris Agreement

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10043

Countries

Azerbaijan

Project Name

Capacity Building for Azerbaijan to Meet the Requirements of Enhanced Transparency Framework of the Paris Agreement

Agencies

UNEP

Date received by PM

6/4/2019

Review completed by PM

9/26/2019

Program Manager

Milena Vasquez

Focal Area

Climate Change

Project Type

MSP

PIF

CEO Endorsement

Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat Comment at CEO Endorsement

Very slight changes from what was presented at PIF have been justified.

Response to Secretariat comments

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?

Secretariat Comment at CEO Endorsement

Under Output 1.1, please clarify how previous work on this topic (through for example the last NC and BUR, not just on existing arrangements but also on recommendations resulting from this work) as well as the PPG consultations have informed the design of institutional arrangements for GHG inventories, and how the activities under this Output are incremental.

Under Output 1.2, please clarify whether the data management system will support the development of annual inventories and whether it may be tested by the BUR 3.

Under Output 1.3, please also clarify what are Azerbaijan's plans for updating its NDC considering it is preparing its 'first NDC implementation plan,' and how this CBIT project will support a consistent tracking system and work in coordination with the development of this plan and the work of the cabinet of Ministers.

Output 1.4 is too broad and missing key details. Please clarify the purpose and scope of a capacity needs assessment in climate change topics and how it relates to the previous outputs. It is confusing to have a separate output on training instead of adding training activities to the relevant outputs.

Output 2.1, please clarify if the Ministry of Finance has already been consulted and has agreed to hosting the climate finance tracking system.

9/26/2019: Comments cleared.

Response to Secretariat comments

10/09/2019

Response to comment on Output 1.1:

Further clarifications have been provided under Output 1.1 in the CEO Endorsement Document as to how previous work on this topic and the PPG consultations have informed the design of institutional arrangements for GHG inventories. These clarifications also include a table showing how the planned activities under Output 1.1 address the gaps and needs identified by the different stakeholders that were consulted during the PPG phase.

Response to comment on Output 1.2:

The data management system will support the development of annual inventories and the CBIT project will consider having it tested by the BUR 3. Additional clarifications and details on the data management system's functions have been provided under Output 1.2 in the CEO Endorsement Document.

Response to comment on Output 1.3:

Azerbaijan has the intention to update its NDC in the future, however, there is currently no detailed information as to what the revision would entail and when the revision is planned for. Further clarifications have also been included under Output 1.3 in the CEO Endorsement Document as to how CBIT project will support a consistent tracking system and work in coordination with the development of the NDC implementation plan.

Response to comment on Output 1.4:

Further information has been provided under Output 1.4 in the CEO Endorsement Document to clarify the purpose and scope of a capacity needs assessment in climate change topics (activity 1.4.1) and how it relates to the previous outputs. It was a country-specific request to cluster all capacity building and training activities under one single Output.

Response to comment on Output 2.1:

Yes, during the PPG phase and stakeholder consultation, the Ministry of Finance gave a positive response to host the climate finance tracking system. According to the inside governmental procedures, the final decision on posting Agency/Ministry will be provided upon official signature of the project document.

3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?

Secretariat Comment at CEO Endorsement Yes.

Response to Secretariat comments

4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)

Secretariat Comment at CEO Endorsement

Please consider adding a risk on the lack of passage of regulations drafted under this project to define institutional arrangements and responsibilities and an appropriate risk mitigation measure.

9/26/2019: Comments cleared.

Response to Secretariat comments

10/09/2019

An additional risk on the lack of passage of regulations drafted under the project has been included in the risk section of the CEO Endorsement Document, along with a risk mitigation measure.

5. Is co-financing confirmed and evidence provided?

Secretariat Comment at CEO Endorsement Yes, co-financing of \$350,000 in-kind from the Ministry of Ecology and Natural Resources has been confirmed.

Response to Secretariat comments

6. Are relevant tracking tools completed?

Secretariat Comment at CEO Endorsement

Yes, a target for core indicator 11 has been provided, as well as targets and assessments for the CBIT indicators.

The project results framework could be more detailed. Please consider adding concrete and more detailed indicators, for example to help track achievement of Outputs 1.2, 1.3 and 2.1

9/26/2019: Comments cleared.

Response to Secretariat comments

10/09/2019

The achievement of every project Output is tracked through the detailed list of deliverables outlined in the project Workplan (Annex K of the CEO Endorsement Document):

- For Output 1.2: refer to deliverables D9 to D14
- For Output 1.3: refer to deliverables D15 to D22
- For Output 2.1: refer to deliverables D38 to D47

The purpose of the Results Framework (Annex A) is to track/measure the project's achievements at Outcomes and Objective level only.

7. Only for Non-Grant Instrument: Has a reflow calendar been presented?

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?

Secretariat Comment at CEO Endorsement

Could you please clarify the current status of the Fourth NC (implemented by UNDP) and plans for the Third BUR (implemented by UNEP) and how this project is/will coordinate with activities under these projects?

Please clarify if the Ministry of Ecology and Natural Resources (MENR) will be the executing agency as described under the Project Information section and as approved at PIF or if it will be the Regional Environmental Centre for the Caucasus (RECC). If there has been a change, please add justification and change the name and description of executing partner in Part I. Please also clarify if the project personnel and consultants are expected to be based out of the MENR or the RECC (based in Baku).

9/26/2019: Comments cleared.

Response to Secretariat comments

10/09/2019

The Fourth National Communication (FNC), implemented by UNDP is currently ongoing. Key representative leading the FNC effort from UNDP country office as well as relevant stakeholders from the government who are involved in FNC participated actively in both CBIT PPG workshops. Collectively, they helped to design activities in this CBIT project to ensure maximum synergistic opportunities with the activities in FNC. The third BUR is yet to commence in Azerbaijan. This will be implemented by UNEP. Several of the stakeholders that participated in the CBIT stakeholders' meetings and the FNC would be involved in the third BUR, when it commences. Led by The Ministry of Ecology and Natural Resources, the government of Azerbaijan will continue to lead and coordinate activities that bring together all relevant stakeholders from CBIT and FNC during the BUR 3 (when implementation commences).

The Ministry of Ecology and Natural Resources (MENR) has delegated the project's Executing Agency function to the Regional Environmental Center for the Caucasus (RECC) thereby providing RECC the authority to act in this capacity on behalf of the government. . The recommendation by government to use RECC is to help overcome existing administrative challenges within government regarding its ability to receive and disburse funds in a timely manner. The RECC has proven record of accomplishment in Executing Agency functions and in the receipt and disbursement of funds in an efficient manner that leads to prompt delivery of project results. RECC Azerbaijan is an NGO founded by the MENR. Nonetheless, the National Project Director (or National Project Focal Point) will be an officer appointed by the MENR. Finally, the project personnel (i.e. the Chief Technical Advisor, Administrative Assistant, etc.) and national consultants/experts will be based in the RECC's offices in Azerbaijan (Baku).

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

Secretariat Comment at CEO Endorsement Yes.

Response to Secretariat comments

10. Does the project have descriptions of a knowledge management plan?

Secretariat Comment at CEO Endorsement Yes.

Response to Secretariat comments

Agency Responses

11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

STAP

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

GEF Council

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

Convention Secretariat

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

Recommendation

12. Is CEO endorsement recommended?

Secretariat Comment at CEO Endorsement

Not yet. Please address comments above.

If allowed please change the selection of CBIT in Part I: Project Information from NO to YES. Also considering adjusting the Rio Marker for Adaptation as it does not seem that this project directly relates to adaptation.

9/26/2019: All comments cleared. PM recommends CEO endorsement.

10/14/2019: Thank you for uploading the Project Document. We note that the M&E budget includes "audits" which are meant to be paid from the PMC. Please amend per the GEF project cycle

guidelines. http://www.thegef.org/sites/default/files/documents/EN_GEF.C.52.Inf_.06.Rev_.01_Guidelines_on_the_Project_and_Program_Cycle_Policy.pdf

Examples of activities for M&E plan: Inception/closure workshop; Inception Report; Standard GEF Agency monitoring and reporting requirements; Monitoring and evaluation of indicators in project results framework; GEF Project Implementation Report (PIR); Supervision missions; Knowledge management; Monitoring of environmental and social risks, and corresponding management plans as relevant; Learning missions /site visits; Mid-term GEF Tracking Tool to be updated; Mid-term Review (MTR); Final GEF Tracking Tool to be updated; Independent Terminal Evaluation (TE) included in the GEF Agency evaluation plan.

1/6/2020: Audit has been put under PMC in budget; however, it is still showing in the M&E budget table. Please fix M&E table so that the overall budget and M&E budget are consistency for clearance.

1/16/2020: Budgets have been revised for consistency. All comments have been cleared. PM recommends CEO Endorsement.

Response to Secretariat comments

10/09/2019

The “Yes / No” field for CBIT in Part I of the GEF Portal cannot be edited, so we could not perform the requested change.

The Rio Marker for Adaptation has been downgraded to 0, as requested.

11/12/2019

Comment taken. The “Audit” budget has now been shifted to the PMC category.

08/01/2020

Comment taken. Audits have been removed from the M&E budget table (Annex I).

Review Dates

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review		
Additional Review (as necessary)		

Secretariat Comment at CEO Endorsement**Response to Secretariat comments**

Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation**Brief Reasoning for CEO Recommendations**

The objective of this project is to strengthen institutional and human capacities in Azerbaijan to meet the reporting requirements of the enhanced transparency framework of the Paris Agreement. Azerbaijan ratified the Paris Agreement on January 9, 2017. Azerbaijan set a 35% greenhouse gas (GHG) emissions reduction target below 1990 levels in its Nationally Determined Contribution (NDC) and has launched procedures for preparing sectoral NDC implementation strategies. These plans are in line with its national development strategy, Azerbaijan 2020: Vision to Future.

The project is aligned with the CBIT programming priorities to support activities that strengthen national institutions for transparency-related activities, to provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13, and to assist in improving transparency over time. The project responds to needs and gaps identified through the International Consultation and Analysis process of its first Biennial Update Report (BUR), its third National Communication (NC), its NDC, and findings from a working group on adaptation planning and a working commission on low-carbon development strategy development. The project will coordinate with ongoing work to prepare its second BUR and fourth NC.

The project aims to achieve the following outcomes:

1. Enhanced institutional capacity to report and monitor progress of the implementation of the country's NDC;
2. Enhanced institutional capacity to identify sources of funding and to track financial support.

The project will strengthen institutional arrangements and enhance the level of knowledge of experts mainly to monitor the implementation of mitigation actions and associated results. It will also establish a tracking system to support reliable domestic monitoring, reporting and verification (MRV) arrangements, including performance indicators for mitigation policies, programs and actions. The project will also enhance the institutional capacity for tracking financial support received

and identifying additional sources of funding through a proposed Climate Finance Unit, and associated assessments and potentially a tailored budget tracking tool. The sustainability of training materials will be managed by a knowledge management unit established at the Ministry of Ecology and Natural Resources to ensure continuous training support.

Co-financing of \$350,000 million is provided by the national government.