

# GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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## General Project Information

### Project Title

Increased Effectiveness for Biodiversity Conservation through Improved Management and (Institutional) Establishment of New National Parks in Azerbaijan

|                         |                        |
|-------------------------|------------------------|
| Region                  | GEF Project ID         |
| Europe and Central Asia | 12257                  |
| Country(ies)            | Type of Project        |
| Azerbaijan              | MSP                    |
| GEF Agency(ies):        | GEF Agency ID          |
| FAO                     | 761480                 |
| Executing Partner       | Executing Partner Type |
| TBD                     |                        |
| GEF Focal Area (s)      | Submission Date        |
| Multi Focal Area        | 12/22/2025             |

### Project Sector (CCM Only)

### Taxonomy

Mainstreaming, Biodiversity, Focal Areas, Agriculture and agrobiodiversity, Community Based Natural Resource Mngt, Protected Areas and Landscapes, Terrestrial Protected Areas, Demonstrate innovative approaches, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Local Communities, Stakeholders, Beneficiaries, Private Sector, Civil Society, Type of Engagement, Information Dissemination, Consultation, Participation, SMEs, Awareness Raising, Communications, Strategic Communications, Public Campaigns, Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Gender-sensitive indicators, Capacity Development, Gender results areas, Innovation, Capacity, Knowledge and Research, Knowledge Exchange, Field Visit, Training, Knowledge Generation, Workshop

|                                |                             |
|--------------------------------|-----------------------------|
| Type of Trust Fund             | Project Duration (Months)   |
| GET                            | 48                          |
| GEF Project Grant: (a)         | GEF Project Non-Grant: (b)  |
| 3,978,501.00                   | 0.00                        |
| Agency Fee(s) Grant: (c)       | Agency Fee(s) Non-Grant (d) |
| 377,956.00                     | 0.00                        |
| Total GEF Financing: (a+b+c+d) | Total Co-financing          |
| 4,356,457.00                   | 30,500,000.00               |
| PPG Amount: (e)                | PPG Agency Fee(s): (f)      |
| 150,000.00                     | 14,248.00                   |

PPG total amount: (e+f)

164,248.00

Total GEF Resources: (a+b+c+d+e+f)

4,520,705.00

Project Tags

CBIT: No NGI: No SGP: No Innovation: No Competitive Window: No

## Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

1. Azerbaijan hosts exceptional biodiversity, making the country a key part of the Caucasus Ecoregion and an important contributor to global conservation efforts. Nevertheless, ecosystems face growing pressures from multiple interconnected factors, resulting in significant environmental challenges and increasing soil erosion.
2. This project will help reverse these trends through an integrated landscape management (ILM) approach to conserve biodiversity, restore critical ecosystems, and strengthen resilience and livelihoods of rural communities. Specifically, the project will strengthen the enabling environment to ensure effective management of protected areas (**Component 1**) and improve biodiversity conservation and ecosystem resilience by piloting a new zoning methodology and applying participatory ILM approaches in Ilisu, Akhar-Bakhar, and Zangazur National Parks (NPs) (**Component 2**). It will also strengthen rural livelihoods by supporting nature-based value chains (**Component 3**). A comprehensive KM system will promote learning and long-term sustainability (**Component 4**), while a robust M&E framework will track progress and ensure accountability (**Component 5**).
3. While Akhar-Bakhar and Ilisu NPs were formally established in July 2025 by governmental decree, officially allocating state-owned lands for protection, their operational establishment process remains at an early stage. To this end, the Government mandated the MENR to develop key institutional, staffing, management planning, zoning, and sustainable financing arrangements, and endorsed this GEF-financed proposal to support their full institutional and operational establishment.
4. The project will support Azerbaijan’s national and international biodiversity and climate commitments, improving management effectiveness across **80,665 hectares** of protected areas (**CI 1.2**), promoting biodiversity-friendly practices across **219,907 hectares** of landscapes (**CI 4.1**), reducing **2,128,087 tCO<sub>2</sub>-eq tons of CO<sub>2</sub>** (**CI 6**), and directly benefiting **16,305 individuals** (**CI 11**).

## Indicative Project Overview

### Project Objective

To preserve biodiversity and promote ecosystem services in Azerbaijan by fostering ecologically sustainable land and resource management practices within protected areas and buffer zones.

## Project Components

### Component 1. Strengthening the institutional framework for the effective management of Akhar-Bakhar, Ilisu and Zangazur National Parks in Azerbaijan

|                            |                   |
|----------------------------|-------------------|
| Component Type             | Trust Fund        |
| Technical Assistance       | GET               |
| GEF Project Financing (\$) | Co-financing (\$) |
| 770,000.00                 | 2,000,000.00      |

Outcome:

Outcome 1.1 Coherent and gender sensitive policy and legal framework established for enhancing biodiversity conservation and sustainable management practices in National Parks

Outcome 1.2 Institutional and operational capacity for effective National Park management strengthened

Output:

Output 1.1.1. Protected area policies aligned with IUCN categories developed to improve governance and management

Output 1.1.2. Zoning methodology developed to integrate diverse landscape management strategies in protected areas and buffer zones

Output 1.2.1. Comprehensive gender sensitive capacity building programs delivered for policy makers, park staff, and other key stakeholders

Output 1.2.2. Strengthened working conditions and operational capacities in targeted parks and its staff through equipment and infrastructure

### Component 2. Enhancing biodiversity conservation through integrated landscape management in targeted protected areas and buffer zones

|                            |                   |
|----------------------------|-------------------|
| Component Type             | Trust Fund        |
| Technical Assistance       | GET               |
| GEF Project Financing (\$) | Co-financing (\$) |
| 1,500,000.00               | 9,500,000.00      |

Outcome:

Outcome 2.1 Improved climate resilience and ecosystem health in protected areas

Outcome 2.2 Enhanced sustainability and ecosystems stewardship surrounding landscapes and buffer zones, taking into consideration gender dimensions

Output:

Output 2.1.1 Integrated land and ecosystem management plans developed with a gender lens to enhance water security, wildlife conservation and ecosystem services

Output 2.1.2 Protected areas mapping and monitoring system implemented through the use of harmonized geospatial tools

Output 2.1.3 Pilot testing of park zoning methodology conducted to validate and refine zoning approaches for improved natural resource management

Output 2.2.1 Participatory and gender sensitive landscape management models developed and implemented for sustainable use, restoration, and enhancement of natural resources

Output 2.2.2 Ecosystems health enhanced through climate-smart and biodiversity-friendly land use practices

### Component 3. Developing sustainable livelihoods through economic valuation and market integration of alternative income sources

|                            |                   |
|----------------------------|-------------------|
| Component Type             | Trust Fund        |
| Investment                 | GET               |
| GEF Project Financing (\$) | Co-financing (\$) |
| 1,000,000.00               | 12,000,000.00     |

Outcome:

Outcome 3.1 Increased income and livelihood resilience for local communities through development of diversified gender inclusive biodiversity-friendly income sources

Outcome 3.2 Enhanced economic opportunities and community engagement in ecotourism

Output:

Output 3.1.1 Developed alternative and nature-based livelihoods market value chains by local communities, considering women and men

Output 3.1.2 Sustainable production, processing, and certification systems for biodiversity-friendly products piloted (e.g., honey)

Output 3.2.1 Strategic tourism development plan and framework with a gender lens developed for ecotourism and local community engagement

Output 3.2.2 Pilot ecotourism cases demonstrated for sustainable tourism models in target zones considering different gender roles

Output 3.2.3 Gender sensitive capacity building and participatory planning implemented for community involvement in sustainable tourism activities

### Component 4. Knowledge Management (KM) and lessons learned

|                            |                   |
|----------------------------|-------------------|
| Component Type             | Trust Fund        |
| Technical Assistance       | GET               |
| GEF Project Financing (\$) | Co-financing (\$) |
| 330,000.00                 | 2,000,000.00      |

Outcome:

Outcome 4.1. Effectively disseminated project knowledge and best practices in protected areas management

Output:

Output 4.1.1 Gender-sensitive Knowledge Management and Communication Strategy for project learning

Output 4.1.2 Knowledge and best practices information deposited and disseminated in dedicated knowledge sharing platform and events

## M&E

|                            |                   |
|----------------------------|-------------------|
| Component Type             | Trust Fund        |
| Technical Assistance       | GET               |
| GEF Project Financing (\$) | Co-financing (\$) |
| 190,000.00                 | 2,000,000.00      |

Outcome:

## Component 5. Monitoring and Evaluation (M&E)

Outcome 5.1. Established and operationalized comprehensive project monitoring system

Outcome 5.2. Project reporting and evaluation system implemented

Output:

Output 5.1.1. Gender-responsive M&E framework and tools developed and deployed

Output 5.2.1 Project Implementation Report (PIR), Project Progress Report (PPR) and Mid-term Review (MTR) conducted

Output 5.2.2 Project Terminal Evaluation (TE) conducted

## Component Balances

| Project Components | GEF Project Financing (\$) | Co-financing (\$) |
|--------------------|----------------------------|-------------------|
|                    |                            |                   |

|                                                                                                                                                      |                     |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Component 1. Strengthening the institutional framework for the effective management of Akhar-Bakhar, Ilisu and Zangazur National Parks in Azerbaijan | 770,000.00          | 2,000,000.00         |
| Component 2. Enhancing biodiversity conservation through integrated landscape management in targeted protected areas and buffer zones                | 1,500,000.00        | 9,500,000.00         |
| Component 3. Developing sustainable livelihoods through economic valuation and market integration of alternative income sources                      | 1,000,000.00        | 12,000,000.00        |
| Component 4. Knowledge Management (KM) and lessons learned                                                                                           | 330,000.00          | 2,000,000.00         |
| M&E                                                                                                                                                  | 190,000.00          | 2,000,000.00         |
| <b>Subtotal</b>                                                                                                                                      | <b>3,790,000.00</b> | <b>27,500,000.00</b> |
| Project Management Cost                                                                                                                              | 188,501.00          | 3,000,000.00         |
| <b>Total Project Cost (\$)</b>                                                                                                                       | <b>3,978,501.00</b> | <b>30,500,000.00</b> |

Please provide justification

## PROJECT OUTLINE

### A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

#### **Global environmental significance**

5. Thanks to its unique combination of geographic, biological, and climatic conditions, and shaped by a complex geological history and diverse topography, Azerbaijan hosts outstanding biodiversity, with a remarkable variety of flora and fauna, including species of European, Central Asian, and Mediterranean origin. Its exceptional range of habitats supports numerous endemic and globally threatened species, such as the Caspian Seal and Persian Leopard, while its location along a major migratory flyway makes its wetlands vital stopover and wintering sites for millions of birds, including many endangered species. Together, these factors make Azerbaijan a critical contributor to global biodiversity conservation and a biogeographical crossroads where European and Asian species coexist within a wide range of ecosystems. Notably, Azerbaijan forms an integral part of the Caucasus Ecoregion, recognized as an area with exceptional levels of biodiversity, [i] while at the same time being considered one of the 25 most endangered ecosystems on Earth. [ii]

6. Unfortunately, despite its importance, Azerbaijan's biodiversity and ecosystems are increasingly threatened by a range of interconnected factors, including weak policy support, limited conservation capacity, poor forest management, climate change, and low level of awareness regarding the importance of biodiversity. [iii]

### **National context**

7. With approximately 87,000 km<sup>2</sup>, Azerbaijan has a population of about 10.1 million people. Around 60 percent of its territory consists of mountains and their foothills, shaping the country's diverse topography and ecological richness. [iv] It encompasses a wide range of climatic conditions, ranging from subtropical to temperate and alpine climates.

8. Approximately 1.2 million hectares of its territory, equivalent to about 14 percent of the country's total land area, are covered by forests, managed by the Forest Development Service under the Ministry of Ecology and Natural Resources (MENR). [v] The vast majority of these forests, approximately 95 percent, are located in mountainous areas, while natural lowland (riparian) forests persist only in fragmented portions of territory. In addition to forested areas, Azerbaijan hosts a mountain steppe ecosystem, primarily located in the Nakhchivan Autonomous Republic, an exclave territory that forms part of the Eastern Anatolian Montane Steppe ecoregion, classified as critical and endangered. Due to its continental and semi-arid climate, steppe and even semi-desert vegetation extend higher in the mountains in this region than elsewhere in the country, occurring at elevations from 600 meters to over 2,000 meters. Its ecosystem is mainly characterized by mountain steppes, shrublands, and sparse woodlands that support several endemic and regionally rare species and serve as important summer pastures for livestock.

9. Forests, mountain steppes, and alpine meadows form the backbone of the country's rich biodiversity, providing essential ecosystem services and supporting local livelihoods. Portions of these ecosystems fall within Azerbaijan's Protected Areas (PA), which cover 10.54% of the country's territory [vi] and include sites classified under IUCN Categories I, II, and IV (Strict Nature Reserves, National Parks, and Habitat/Species Management Areas). PAs play a critical role in maintaining ecosystem integrity and supporting species survival. To safeguard their role and ensure their long-term conservation and resilience, the sustainable management of their natural resources is crucial for maintaining environmental and socio-economic stability, especially for the rural communities that directly depend on them. Effective management must address not only the PA but also the surrounding buffer zones, which are essential for sustaining ecological functions and reducing human pressures. Azerbaijan is a Party to the UN Convention on Biological Diversity (CBD) and, in accordance with Article 26, recognizes the protection and sustainable use of natural resources as a high state priority.

### **Current baseline scenario**

10. Azerbaijan's biodiversity and ecosystems remain under threat from a complex set of interrelated factors, primarily driven by human activities and climate change. Key drivers include land degradation, unsustainable use of natural resources (particularly overgrazing in grassland and semi-arid areas), and limited capacity for climate change adaptation and mitigation. As a result, the country is experiencing significant ecosystem degradation and an estimated 10% increase in the risk of species extinction over recent decades. [vii] Also, it is estimated that around 3.7 million hectares (about 42 per cent of Azerbaijan's territory) are subject to the damaging effects of soil erosion. [viii] Projections for the future are not optimistic, with the IPCC reporting that, while average temperatures in Azerbaijan have increased by 0.4–1.3°C over the past century, they are expected to rise up to 1.4–2.8°C by 2050, posing significant risks to the country's biodiversity. [ix]

11. With 40% of the workforce employed in agriculture, this scenario is a major concern for a large share of the population, particularly for rural communities that rely on natural resources and ecosystem services for their livelihoods. [x] Furthermore, the country faces a serious challenge of overgrazing, with livestock densities reaching 10 to 50 times above grazing norms in some areas, and even higher in others. [xi] In the high-mountain zones of the Greater Caucasus, this has caused severe degradation of mountain-meadow landscapes, leading to loss of vegetation cover vital for soil stability. As a result, the risk of erosion, mudflows, and landslides has increased, especially during periods of intense rainfall. [xii] This represents a major urgency, highlighting the need to prioritize the prevention of further degradation through sustainable pasture management, while also committing to the gradual restoration of damaged areas to protect these fragile ecosystems and reduce the risk of future extreme events.

12. Threats have reached significant scales, posing direct risks to the environment and human livelihoods, and requiring urgent action for the integrated management of natural resources and ecosystems.

### National Parks and Protected Areas

13. In Azerbaijan, protected areas cover 10.54% of the country's territory [xiii], with total KBAs reaching up to 15%. Specifically, 24% of the protected areas are Strict Nature Reserves (known nationally as State Nature Reserves; IUCN category 1), 22% are National Parks (IUCN category 2), and 54% are Habitat/Species Management Areas (known nationally as State Nature Sanctuaries; IUCN category 4). [xiv] Overall, 62% of protected areas are located in the highlands and 38% in the plains.



Figure 1. Protected areas in Azerbaijan, according to their designation (UNEP-WCMC and IUCN, 2025)

14. Notably, to expand the network of specially protected natural areas, two new National Parks were recently established in 2025 by presidential decree:

- Akhar-Bakhar National Park – 23,901,99 hectares;

- *Ilisu National Park* – 13,966 hectares.

15. The major biomes and regions with high biodiversity value in Azerbaijan are situated within the protected area system. [xv] In addition to national parks and nature reserves, Azerbaijan also designates Zakazniks, protected areas aimed at conserving specific species, habitats, or natural resources while permitting limited sustainable use.

16. Overall, the ongoing expansion of protected areas, along with the country's future commitments, represents positive steps for biodiversity conservation and sustainable natural resource management. However, several challenges remain, including the establishment and management of buffer zones around protected areas. Indeed, management planning for PA often fails to adequately incorporate buffer zones. Where they exist, plans tend to focus narrowly on protecting individual habitats, resulting in a limited approach. In most cases, the boundaries of buffer zones are unclear, and their management is either overly complex or entirely lacking. [xvi]

17. The absence of an integrated management approach further hinders the effective use and preservation of resources. Additionally, the lack of a mapping and monitoring system, along with insufficient qualified staff at national and local levels, impedes effective management.

#### *Institutional environment and legal framework*

18. Overall, Azerbaijan has made significant progress in recognizing the importance of protecting biodiversity and promoting the sustainable use of natural resources. The country has also demonstrated strong commitment to implementing the 2030 Agenda by ratifying key international conventions, including the *Convention on Biological Diversity (CBD)*, the *United Nations Framework Convention on Climate Change (UNFCCC)*, and the *United Nations Convention to Combat Desertification (UNCCD)*, as well as by joining the *Bonn Challenge in 2018* engaging to carry out forest restoration measures on 270,000 hectares by 2030.

19. Internally, Azerbaijan has established a comprehensive policy framework, primarily through two key strategic development plans: "*Azerbaijan 2020: Look into the Future*", followed by "*Azerbaijan 2030: National Priorities for Socio-Economic Development*", approved in 2021 and including a dedicated subsection on biodiversity-related priorities. Environmental legislation and policy framework have also been strengthened through the adoption of new laws and amendments to the existing legislation, [xvii] while the *Nationally Determined Contribution (NDC)* was also updated in 2023, setting, inter alia, a target to reduce GHG emissions by 40% by 2050 compared to 1990 levels.

20. In line with these institutional efforts, the 2015 *Decision of the Cabinet of Ministers No. 114* on the paid use of specially protected natural areas provides an important framework for the further development of the protected area system. By regulating scientific, cultural, and recreational use, including tourism and other sustainable activities, it presents a valuable opportunity to strengthen implementation and promote long-term sustainability.

21. However, significant challenges still persist. Key challenges include the limited capacity and staffing of the MENR, a pillar institution for biodiversity matters, as well as its Forest Development Service, which is critical for forest protection and restoration. The lack of qualified staff reduces their effectiveness, leaving BD-related issues with limited attention or support. [xviii] Moreover, climate change considerations are not fully reflected into national policies, strategies, and territorial planning.

22. Therefore, existing gaps in capacity, coordination, and integration could limit Azerbaijan's ability to fully meet its commitments and jeopardize the positive achievements made for the benefit of both people and ecosystems.

### Biodiversity

23. As observed, Azerbaijan hosts an exceptionally rich and diverse biodiversity, including populations of Brown Bear and Wolf, which are extinct or critically endangered in Western Europe. The country's flora comprises approximately 4,500 vascular plant species, including 210 endemics, 90 tree species, and 211 shrub species. [xix] About 800 indigenous plant species have medicinal value, 150 of which are commercially used, and around 1,500 are traditionally used as colorants. [xx] According to the second edition of the Red Book of Azerbaijan (2013), 338 higher plant species, 12 fungi, 23 lower plant species, and 223 fauna species are considered threatened, including 74 insects, 6 amphibians, 14 reptiles, 9 fish, 72 birds, and 42 mammals. [xxi]

24. In this regard, forests play a crucial role in the country, hosting a rich variety of plants and trees and providing habitats for numerous animals, including endemic, threatened, and traditionally important species.

25. Notably, Azerbaijan's biodiversity provides benefits both to the environment and local communities. Therefore, if managed sustainably, it can simultaneously support conservation and enhance local livelihoods.

### Socio-economic context

26. Azerbaijan's economy is largely dependent on exports of oil and natural gas, which represent the main sector of the country [1]. Agriculture is the second-largest sector in terms of GDP, contributing about 5.7%, but the largest in terms of employment, engaging around 2 million people (approximately 40% of the national workforce), mostly household farmers relying on subsistence agriculture. According to the Asian Development Bank, around 5.4% of Azerbaijan's population lives below the national poverty line. A large share of this population is concentrated near protected areas and other regions rich in biodiversity, thus playing a crucial role in achieving goals like sustainable management of natural resources and BD conservation in KBAs.

27. Local people in Azerbaijan have a long history of using forest products for personal and community needs, with forests providing a wide range of nature-based resources, including wild trees producing fruits (cherries, plums, apples) and nuts (hazelnuts, chestnuts); plants used to make oils, dyes, teas, and related products; and honey, mushrooms, and other forest products. [xxii] Indeed, Azerbaijan maintains a rich heritage in traditional practices, notably the widespread use of local plants for traditional medicine and as natural dyes for renowned local crafts like carpet weaving.

28. Tourism is another emerging and promising industry in Azerbaijan, contributing over 2.2% of national GDP in 2021 and continuing to grow steadily, with PAs and national parks particularly popular among national and international visitors. Ecotourism is a strategic sector to support BD conservation, as visitor fees are intended to fund PA management and are subject to regulations that limit harmful activities. However, bureaucratic hurdles often prevent these funds from being used effectively. [xxiii]

29. Livestock husbandry is also highly profitable, driving rapid growth in herds of sheep, goats, and cattle. However, effective landscape management plans are necessary to address widespread overgrazing, which results in rapidly increasing soil erosion and land degradation.

30. Overall, Azerbaijan's BD holds immense value and, if managed sustainably, can generate relevant economic value. [xxiv] Realizing this potential requires integrated resource management and strong community involvement.

### Gender

31. According to the ADB, agriculture is the sector where women are most actively involved, accounting for 40.78% of officially recorded agricultural employment. [xxv] Despite their critical roles, women in rural areas have limited access to productive and technical resources, as well as to value chains and markets for their agricultural products, which restricts income opportunities and reinforces economic dependence.

32. Gender disparities remain a significant factor in agriculture and natural resource management, with women facing unequal access to land, water, credit, extension services, and technology, making them more vulnerable than men to economic and environmental risks. These inequalities are further exacerbated by gender stereotypes, weak gender-responsive legislation, and fragmented statistical data. Nevertheless, women continue to play a central role in sustainable natural resource management, representing a key driver of change for future improvements in line with national and international commitments.

### Alternative Scenario

33. Azerbaijan has the potential to reverse negative trends in biodiversity loss and natural resource depletion through targeted interventions that address both environmental and socio-economic challenges. By adopting a comprehensive, integrated approach, the country can ensure the sustainable use of natural resources, particularly in critical areas such as protected areas and natural reserves.

34. Through nature-based solutions, Azerbaijan would not only preserve biodiversity and improve ecosystem resilience but also improve the livelihoods of rural communities that depend on natural resources. Such solutions would also help the country adapt to climate change, enhancing its resilience to extreme weather events and shifting precipitation patterns.

35. Given the country's strategic role as a biodiversity crossroads in the region, these actions would have positive impacts across the entire Caucasus Ecoregion, contributing to global environmental stability.

36. In the alternative scenario, Azerbaijan takes proactive steps to strengthen the capacities of institutions and key stakeholders for BD conservation, enabling rural communities to play a central role in sustainable natural resource management while deriving direct socio-economic benefits. This includes adapting the policy framework and building key stakeholder capacity at both national and local levels. Given their strategic ecological importance, priority would be placed on protected areas and their buffer zones, involving communities living nearby through integrated and participatory landscape management models aimed at enhancing rural livelihoods while conserving ecosystems and preventing resource depletion. Strategic interventions may focus on sustainable value chains, such as medicinal plants and ecotourism, alongside effective planning and management of grazing to ensure long-term environmental and economic sustainability.

### Project justification

37. Business as Usual (BAU) in Azerbaijan has led to continued biodiversity loss, depletion of natural resources, and increasing land degradation. These issues are worsened by limited institutional capacity and staffing at national and local levels, the lack of an integrated natural resource management approach, the rising

frequency of extreme weather events, and inadequate management plans. Near-term projections highlight the urgent need for coordinated action to halt and reverse these trends and safeguard the country's strategic and fragile ecosystems, along with the many people directly exposed to these growing threats.

38. An integrated landscape management approach is recommended as an effective pathway to valorize natural resources while ensuring their conservation and sustainable use, with national parks and protected areas prioritized for implementation. The proposed approach provides a comprehensive framework to coordinate national and local stakeholders, balance environmental, social, and economic objectives, conserve critical ecosystems, and enhance the resilience and well-being of nearby communities. As further described under Section B, this coordination will result from the vertical and horizontal governance proposed by the project, ensuring alignment between key national institutions – including MENR, Ministry of Agriculture and Ministry of Economy – and a participatory approach at the landscape level, involving local municipalities, NGOs, CSOs, the private sector, and other relevant local actors. It is worth noting that while the PSC will ensure alignment among key national stakeholders, the most appropriate structure to ensure successful and inclusive participatory approach will be identified during the subsequent PPG phase, when the necessary assessment will be conducted and the availability of local partners and actors will be further explored.

39. Importantly, the project builds on the understanding that the designation of protected areas is a fundamental conservation strategy, but long-term biodiversity conservation cannot be achieved without considering the relationships between these zones and their surrounding landscapes. [xxvi]

40. As noted, the establishment and management of buffer zones remain a critical issue for protected areas and National Parks in Azerbaijan, with boundaries of buffer zones often unclear, and their management either overly complex or entirely lacking. On the contrary, it is essential to define clear boundaries and implement sustainable zoning and land-use planning, determining which human activities are allowed, where they may occur, and under what conditions.

41. The Ilisu, Akhar Bakar, and Zanghazur national parks represent key areas of Azerbaijan's ecological and socio-economic diversity, covering a wide range of ecosystems and hosting rich flora and fauna, including many endemic and threatened species. They also support rural communities that depend on the parks and surrounding landscapes for grazing, forest products, and small-scale agriculture, with an estimated 63,255 people living in the target area. [2]

42. Developing a zoning methodology and piloting it in the three parks, combined with integrated land and ecosystem management, capacity building, and technical assistance, will help Azerbaijan advance two core goals: conserving biodiversity through effective ecosystem preservation and improving rural livelihoods.

| Project area                      | Area (ha) | Land cover and land use (% of area) |        |                    |       |            |             |          |            |
|-----------------------------------|-----------|-------------------------------------|--------|--------------------|-------|------------|-------------|----------|------------|
|                                   |           | Water                               | Trees  | Flooded vegetation | Crops | Built area | Bare ground | Snow/Ice | Range land |
| <b>Ilisu National Park</b>        | 13,966    | 0.32%                               | 85.72% | 0.00%              | 0.00% | 0.08%      | 0.11%       | 0.00%    | 13.77%     |
| <b>Ilisu buffer zone</b>          | 45,793    | 0.69%                               | 43.88% | 0.00%              | 2.50% | 4.45%      | 1.96%       | 0.01%    | 46.49%     |
| <b>Akhar-Bakhar National Park</b> | 23,902    | 2.44%                               | 3.44%  | 0.01%              | 0.13% | 0.12%      | 0.50%       | 0.00%    | 93.35%     |
| <b>Akhar-Bakhar buffer zone</b>   | 28,261    | 4.03%                               | 0.15%  | 0.33%              | 2.73% | 0.64%      | 0.24%       | 0.00%    | 91.87%     |
| <b>Zangazur National Park</b>     | 42,797    | 0.04%                               | 2.30%  | 0.00%              | 0.11% | 0.10%      | 0.47%       | 0.01%    | 96.91%     |

|                      |        |       |       |       |       |       |       |       |        |
|----------------------|--------|-------|-------|-------|-------|-------|-------|-------|--------|
| Zangazur buffer zone | 65,188 | 0.22% | 0.35% | 0.00% | 0.67% | 2.98% | 0.60% | 0.00% | 95.12% |
|----------------------|--------|-------|-------|-------|-------|-------|-------|-------|--------|

43. Azerbaijan must address current challenges by moving beyond the BAU paradigm toward a sustainable, forward-looking vision for biodiversity conservation and natural resource management. Adopting an integrated, participatory, and evidence-based approach is essential to mobilize efforts and resources, strengthen institutional and community capacities, and enable coordinated management of protected areas and surrounding landscapes.

### **Goal**

44. The proposed project aims to preserve biodiversity and enhance ecosystem services in Azerbaijan by promoting ecologically sustainable land and resource management practices within protected areas and their buffer zones. By applying an integrated and systematic approach, the project seeks to strengthen the conservation and sustainable use of natural resources, restore key ecosystems, and improve the resilience and well-being and livelihood of rural communities that depend on them.

### **Remaining barriers**

45. To successfully implement the approach proposed by the project, several specific obstacles must be overcome. Among them, the following are the main barriers that need to be addressed:

#### ***Barrier 1. Weak institutional and policy capacity to translate national biodiversity and natural resource commitments into action***

Limited institutional capacity at national and local levels, combined with gaps in the policy and legal framework, hinders the integration of biodiversity and natural resource considerations into planning and implementation. Weak operational mechanisms, such as ecosystem management plans and zoning methodology, and insufficient capacity to execute them exacerbate the problem. Targeted capacity building and improved policy coherence are essential to overcome this barrier.

#### ***Barrier 2. Unclear or absent buffer zones and boundaries, compounded by the lack of geospatial tools for accurate mapping, impeding effective management of PA***

Effective protection of PAs depends not only on managing their core zones but also on properly including surrounding buffer zones, which are essential for sustaining ecological functions and reducing human pressures. The absence of designated buffer zones and unclear boundaries around national parks and other PAs makes it difficult to regulate resource use, prevent habitat degradation, and conserve biodiversity. This is further compounded by the lack of modern geospatial tools for accurate mapping and monitoring, limiting authorities' ability to define, visualize, and track critical spatial information for planning and enforcement.

#### ***Barrier 3. Socio-economic constraints and low biodiversity awareness among local communities***

Rural communities in and around protected areas often face economic hardship and rely heavily on natural resources. This dependence, coupled with limited awareness of biodiversity values, drives unsustainable practices such as overgrazing and improper use of timber and non-timber forest products, leading to habitat degradation and resource overuse. Promoting alternative, nature-based income sources linked to strategic

value chains can help shift communities away from these practices while protecting livelihoods. Awareness-raising initiatives should highlight biodiversity's value, its opportunities, and the risks of its loss, addressing negative perceptions among households that see protected areas as restrictive. Effective communication and evidence-based examples are essential to demonstrate that PAs support long-term socio-economic well-being. Conservation measures cannot succeed without the acceptance and engagement of local communities aligned with their natural environment.

46. The logframe is structured in a way that directly responds to these three barriers: Component 1 addresses the institutional and policy gaps described in Barrier 1; Component 2 brings the landscape planning and zoning tools needed to respond to Barrier 2; and Component 3 provides livelihood and community engagement measures to help overcome the socio-economic constraints outlined in Barrier 3. KM and M&E reinforce these elements. This alignment will also be reflected in the Theory of Change, illustrating how the project interventions collectively contribute to overcoming these barriers.

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[1] The oil sector accounts for 30.6% of GDP in 2024 and employs only 1 per cent of the workforce.

[2] WorldPop, 2025: Akhar-Bakhar National Park (93); Ilisu National Park (373); Zangazur National Park (213); Akhar-Bakhar buffer zone (2,433); Ilisu buffer zone (29,812); Zangazur buffer zone (30,301).

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[i] CBD Azerbaijan, Country Profile: Biodiversity Facts, Status and trends of biodiversity, including benefits from biodiversity and ecosystem services

[ii] USAID, The Biodiversity Analysis for Azerbaijan, Technical Report by Elchin Hafiz Sultanov and Elnur Safarov, August 2020

[iii] USAID, The Biodiversity Analysis for Azerbaijan, Technical Report by Elchin Hafiz Sultanov and Elnur Safarov, August 2020

[iv] The Sixth National Report of the Republic of Azerbaijan on the Conservation of Biological Diversity, 2019

[v] United Nations Economic Commission for Europe. (2023). Environmental performance reviews: Azerbaijan (third review)

[vi] Ministry of Ecology and Natural Resources (MENR), 2025

[vii] United Nations 2019

[viii] The Sixth National Report of the Republic of Azerbaijan on the Conservation of Biological Diversity, 2019

[ix] USAID, The Biodiversity Analysis for Azerbaijan, Technical Report by Elchin Hafiz Sultanov and Elnur Safarov, August 2020

[x] United Nations Economic Commission for Europe. (2023). Environmental performance reviews: Azerbaijan (third review)

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[xii] Asam, S., Schwarzenbacher, F., Marshall Ingram, D., & Bachmann, M. (2025). Detection of land degradation risk in Azerbaijan by combining fractional cover estimates based on DESIS data with multi-decadal Landsat NDVI trends. *International Journal of Remote Sensing*

[xiii] Ministry of Ecology and Natural Resources (MENR), 2025

[xiv] Jabrayilov, E. (2019). Protected Areas in Azerbaijan: Landscape-Ecological Diversity and Sustainability. Institute of Geography, Russian Academy of Sciences, December 2019

[xv] United Nations Economic Commission for Europe. (2023). Environmental performance reviews: Azerbaijan (third review)

[xvi] Huseynova, H. (2023). *National Parks and Protected Areas: Innovative Approaches, Technologies, and Current Practices in Azerbaijan*. Institute for Development and Diplomacy

[xvii] United Nations Economic Commission for Europe. (2023). *Environmental performance reviews: Azerbaijan (third review)*

[xviii] USAID, *The Biodiversity Analysis for Azerbaijan, Technical Report by Elchin Hafiz Sultanov and Elnur Safarov, August 2020*

[xix] CBD Azerbaijan, *Country Profile: Biodiversity Facts, Status and trends of biodiversity, including benefits from biodiversity and ecosystem services*

[xx] United Nations Economic Commission for Europe. (2023). *Environmental performance reviews: Azerbaijan (third review)*

[xxi] CBD Azerbaijan, *Country Profile: Biodiversity Facts, Status and trends of biodiversity, including benefits from biodiversity and ecosystem services*

[xxii] USAID, *The Biodiversity Analysis for Azerbaijan, Technical Report by Elchin Hafiz Sultanov and Elnur Safarov, August 2020*

[xxiii] Huseynova, H. (2023). *National Parks and Protected Areas: Innovative Approaches, Technologies, and Current Practices in Azerbaijan*. Institute for Development and Diplomacy

[xxiv] USAID, *The Biodiversity Analysis for Azerbaijan, Technical Report by Elchin Hafiz Sultanov and Elnur Safarov, August 2020*

[xxv] International Labor Organization (ILO), 2023

[xxvi] *Mapping ecosystem service flows in national parks, buffer zones, and surrounding lands helps to understand the connections between human activities and ecosystem functioning* (Palomo et al., Elsevier, 2012)

## B. PROJECT DESCRIPTION

### Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

47. The proposed project adopts an integrated landscape management approach to strengthen the conservation and sustainable use of biodiversity and natural resources within Azerbaijan's protected areas and their buffer zones. It seeks to reverse biodiversity loss and land degradation by focusing on protected areas for their strategic role in maintaining environmental balance, while promoting sustainable use of natural resources in surrounding landscapes to address the socio-economic needs of rural communities and ensure long-term sustainability. The project will develop and pilot a practical management model that integrates conservation, sustainable resource use, and community livelihoods. This pilot will demonstrate the model's effectiveness, while parallel actions will create enabling conditions for its broader adoption. Evidence and results generated from the pilot will be systematically captured and used to inform knowledge products, build stakeholder confidence, and support the scaling and replication of the approach across other protected areas and landscapes in Azerbaijan.

48. The Project is built upon the following Theory of Change:

**IF** policies and the legal framework for BD conservation and the effective management of protected areas are strengthened, and the capacity of key institutions at national and local levels is enhanced; **IF** a zoning methodology to integrate landscape management strategies in protected areas and buffer zones is developed and successfully piloted in three National Parks; **IF** strategic nature-based value chains are identified and supported with the active engagement of local communities and the private sector; and **IF**



enhancing the institutional and operational capacities of key entities responsible for the Akhar-Bakhar, Ilisu, and Zangazur National Parks (**Component 1**). In parallel, it will enhance biodiversity conservation and ecosystem resilience in the three National Parks by piloting the newly developed zoning methodology and introducing integrated, participatory landscape management approach to identify and implement the most suitable and sustainable practices within the parks and their buffer zones (**Component 2**). To complement this intervention, the project seeks to strengthen the livelihoods and resilience of rural communities surrounding the three parks by developing and promoting nature-based value chains that generate economic opportunities while reinforcing biodiversity conservation (**Component 3**). Overall, to ensure the effectiveness and long-term sustainability of the intervention, the project will implement a comprehensive Knowledge Management system to capture, systematize, and disseminate lessons learned and best practices through a gender-sensitive communication strategy (**Component 4**), while establishing a robust M&E framework that integrates gender-responsive tools and regular reporting to track progress, inform adaptive management, and ensure accountability (**Component 5**).

### **COMPONENT 1. *Strengthening the institutional framework for the effective management of Akhar-Bakhar, Ilisu and Zangazur National Parks in Azerbaijan***

#### **Outcome 1.1 Coherent and gender sensitive policy and legal framework established for enhancing biodiversity conservation and sustainable management practices in National Parks**

51. The effective adoption of the integrated land and ecosystem approach proposed by the project requires an enabling environment that supports its long-term integration at the national level. To this end, the project will provide technical assistance to strengthen the policy and regulatory framework for Protected Areas and National Parks and to introduce innovative, comprehensive strategies that improve their management.

##### *Output 1.1.1 Protected area policies aligned with IUCN categories developed to improve governance and management*

This output strengthens protected area governance by reviewing and updating policies to align with IUCN categories and improve regulation of key activities. It promotes a landscape-ecological approach with clearly defined core zones, buffer areas, and a surrounding managed matrix. The process is gender-responsive and participatory, engaging communities, government, NGOs, and academia to ensure balanced, inclusive decision-making. Ultimately, this work establishes the policy foundation needed to scale integrated management models nationwide.

##### *Output 1.1.2 Zoning methodology developed to integrate diverse landscape management strategies in protected areas and buffer zones*

This output develops a national zoning methodology to strengthen the management of Protected Areas and their buffer zones, complementing and feeding into the policy framework established under Output 1.1.1. The methodology will define boundaries, assign IUCN categories, and specify permitted activities to guide a smooth transition from core protected zones to surrounding landscapes while supporting local community livelihoods. Developed collaboratively with government and local stakeholders, the draft methodology will be tested in three National Parks and refined based on practical experience. The validated version will serve as a standardized, evidence-based tool for nationwide use, ensuring zoning becomes an integral part of protected area governance.

#### **Outcome 1.2 Institutional and operational capacity for effective National Park management strengthened**

52. This outcome focuses on strengthening the institutional and operational capacity of Azerbaijan's National Parks, addressing existing technical gaps through targeted assistance and investments aimed at enhancing the performance and effectiveness of Ilisu, Akhar-Bakhar, and Zangazur National Parks.

**Output 1.2.1 Comprehensive gender sensitive capacity building programs delivered for policy makers, park staff, and other key stakeholders**

This output delivers comprehensive capacity building programs for policymakers, park staff, and other key stakeholders to strengthen National Park management. Following a capacity and gap assessment, tailored training, workshops, and other initiatives will enhance technical and operational skills, with a particular focus on supporting women's leadership in protected area management. Activities will target staff in Ilisu, Akhar-Bakhar, and Zangazur National Parks and provide support to policymakers to reinforce the policy and institutional framework established under Outcome 1.1.

**Output 1.2.2 Strengthened working conditions and operational capacities in targeted parks and its staff through equipment and infrastructure**

This output strengthens the operational capacity of staff in targeted National Parks by providing essential equipment and infrastructure. These resources will support the practical application of skills developed under Outcome 1.1 and Output 1.2.1, including biodiversity monitoring, enforcement, and daily park management. Equipment and tools such as fieldwork and data collection gear, boundary markers, and other operational resources will be provided based on assessed needs to ensure staff can effectively carry out their responsibilities.

**COMPONENT 2. *Enhancing biodiversity conservation through integrated landscape management in targeted protected areas and buffer zones***

**Outcome 2.1 Improved climate resilience and ecosystem health in protected areas**

53. The project will improve climate resilience and ecosystem health in protected areas by piloting the new zoning methodology and preparing comprehensive management plans for the core and buffer zones of the three target National Parks. GIS tools will support mapping, monitoring, and planning, helping to define park boundaries and guide implementation of the approach across all parks.

**Output 2.1.1 Integrated land and ecosystem management plans developed with a gender lens to enhance water security, wildlife conservation and ecosystem services**

In collaboration with local stakeholders, this output develops integrated land and ecosystem management plans for the three target National Parks, offering clear guidance on activities, defining limits and prohibitions, and serving as a practical tool for implementing the zoning methodology. To ensure vertical and horizontal governance, a Project Steering Committee (PSC) will be established to ensure the necessary high-level cross-sectoral coordination among key national institutions. At the operation level, the technical assistance provided by experts from FAO, academic institutions, and relevant national authorities, together with the active engagement of representatives of the park administrations, municipal representatives, and local civil society will ensure the plans are scientifically robust, practical, aligned with national priorities, and inclusive of women and youth, while the strengthened institutional and operational capacity established under Component 1 will enable national and local institutions to effectively apply and use the plans.

**Output 2.1.2 Protected areas mapping and monitoring system implemented through the use of harmonized geospatial tools**

This output implements a protected areas mapping and monitoring system using harmonized geospatial tools. Following a needs assessment to identify technical gaps and suitable GIS tools, the project will procure and deploy the selected equipment to establish comprehensive systems for the parks and their buffer zones. These systems will guide zoning, planning, and daily monitoring, with their effective use and long-term sustainability supported through the technical capacity building provided under Component 1.

### Output 2.1.3 Pilot testing of park zoning methodology conducted to validate and refine zoning approaches for improved natural resource management

This output pilots the drafted zoning methodology in Ilisu, Akhar-Bakhar, and Zangazur National Parks to validate and refine it, testing the methodology's feasibility and effectiveness, allowing for iterative adjustments based on monitoring and feedback. Upon completion, each park will have a finalized zoning plan, including newly established buffer zones, and the validated methodology will be ready for potential adoption across all National Parks in the country.

## **Outcome 2.2 Enhanced sustainability and ecosystems stewardship surrounding landscapes and buffer zones, taking into consideration gender dimensions**

54. Through this outcome, the project aims to enhance the sustainability and stewardship of landscapes surrounding the three target National Parks, with a focus on buffer zones. Participatory management plans will be developed to actively engage local communities, fostering ownership and long-term sustainability. This will include promoting sustainable land management, agroforestry, and other biodiversity-friendly practices to support livelihoods that align with conservation objectives.

### Output 2.2.1 Participatory and gender sensitive landscape management models developed and implemented for sustainable use, restoration, and enhancement of natural resources

This output develops and implements participatory landscape management models in the areas surrounding the three target National Parks. In close collaboration with the municipalities of the three target areas, and with the support of local civil society organizations (CSO) and service providers active in the execution phase, the project will engage local communities, households, and private sector actors, identify collaborative solutions and draft a landscape management strategy that balances socio-economic needs with environmental objectives. To ensure effective governance, this process will be aligned with national priorities through the overall coordination of the PSC, ensuring cross-sectoral integration among the environment, agriculture, and tourism sectors.

Notably, the specific interventions contained in the strategy will be identified through a participatory process during the implementation phase and will be guided by the technical expertise of the project execution agency that will provide all necessary assistance to ensure that the plans are scientifically robust, practical, and fully aligned with the zoning framework. Moreover, it will also ensure robust capacity building, promote local ownership and inclusivity, actively involving women and youth.

### Output 2.2.2 Ecosystems health enhanced through climate-smart and biodiversity-friendly land use practices

This output builds on and complements to Output 2.2.1, launching the implementation of the newly developed participatory strategy, showcasing practical examples of sustainable and profitable land and natural resource use. In close collaboration with local communities, the project will identify the most suitable activities for each area, tailored to their specific ecological, social, and economic characteristics. Importantly, while the precise activities will be determined during the participatory process, they are expected to include sustainable land management (SLM), agroforestry, and other gender-responsive nature-based approaches that promote profitability while safeguarding and enhancing ecosystem health.

Once identified, dedicated demonstration sessions and training activities will be organized to guide beneficiaries in their practical implementation. These sessions will illustrate which activities to undertake, how to perform them, and why they are recommended, ensuring that communities understand both the environmental and economic benefits of adopting climate-smart and biodiversity-friendly land use practices. Results will be documented and disseminated, supporting the scaling and replication of successful approaches beyond the target areas.

## **COMPONENT 3. Developing sustainable livelihoods through economic valuation and market integration of alternative income sources**

### **Outcome 3.1 Increased income and livelihood resilience for local communities through development of diversified gender inclusive biodiversity-friendly income sources**

55. While the Component 2 focuses on the landscape and environmental aspects, this Outcome is aimed at increasing income and livelihood resilience for the communities living around the three target National Parks by promoting diversified, biodiversity-friendly income sources. The project supports the development of strategic nature-based value chains tailored to the ecological, social, and economic context of the areas, enhancing production, processing, and certification systems to expand market opportunities while ensuring economic activities align with biodiversity conservation.

#### **Output 3.1.1 Developed alternative and nature-based livelihoods market value chains by local communities, considering women and men**

The project will first conduct a market assessment and preliminary value chain analysis to identify potential strategic nature-based value chains in each target area. Findings will be discussed with local communities and aligned with the participatory landscape strategy under Output 2.2.1. One or two priority value chains per area will be selected based on market potential, ecological sustainability, profitability, and socio-cultural factors, including gender responsiveness. A comprehensive value chain analysis will then map the chain, identify gaps, and define entry points for intervention. The project will implement recommended actions within its scope and budget availability, supporting profitable, biodiversity-friendly livelihoods for local communities. It is important to emphasize that while Outcome 2.2 focuses on landscape-level environmental management, this intervention directly targets the socio-economic well-being of rural communities. Specifically, it aims to improve local living conditions by providing sustainable, alternative income-generating activities that complement the broader objective of supporting sustainable development.

#### **Output 3.1.2 Sustainable production, processing, and certification systems for biodiversity-friendly products piloted (e.g. honey)**

Building on the value chain analysis from Output 3.1.2, the project will pilot sustainable production, processing, and certification systems for the selected value chains. Achieving and certifying these standards will enhance market value and competitiveness, opening opportunities in domestic and international markets, including European markets where such certifications are highly valued. Gender-responsive activities will strengthen processing capacity and efficiency, supporting both the economic viability of the value chains and the conservation of biodiversity and ecosystem health.

### **Outcome 3.2 Enhanced economic opportunities and community engagement in ecotourism**

56. While Component 3 addresses nature-based livelihoods broadly, this outcome focuses on ecotourism due to its unique potential to generate sustainable, biodiversity-friendly income. The sector in the target areas remains underdeveloped, with limited local capacities and inadequate facilities. The project will support and guide its growth to maximize economic benefits for communities while ensuring alignment with environmental sustainability and biodiversity conservation.

#### **Output 3.2.1 Strategic tourism development plan and framework with a gender lens developed for ecotourism and local community engagement**

The project will develop strategic frameworks and plans to guide the sustainable, gender-responsive growth of ecotourism in the three target National Parks. The process will begin with an assessment of current conditions, opportunities, and challenges, including visitor demand, local capacities, and infrastructure gaps. Consultations with key stakeholders (authorities, tourism agencies, small entrepreneurs, women's groups, and community members, etc.) will inform the development of plans to provide a practical roadmap for

investments, capacity building, and stakeholder coordination to support ecotourism development ensuring environmental integrity and community benefits.

**Output 3.2.2 Pilot ecotourism cases demonstrated for sustainable tourism models in target zones considering different gender roles**

The project will identify successful ecotourism initiatives from within the target areas or elsewhere in the country, in collaboration with partner institutions such as MENR and the Forest Department. These findings will be combined with the strategic assessment from Output 3.2.1 to select and implement activities in the target zones, with active engagement of women and youth, recognizing their potential as change drivers. The pilot will demonstrate sustainable ecotourism models tailored to local conditions, while documenting processes, challenges, and results to generate knowledge that can be used for scaling, replication, and wider dissemination of successful approaches.

**Output 3.2.3 Gender-sensitive capacity building and participatory planning implemented for community involvement in sustainable tourism activities**

The project will provide technical assistance and participatory planning to enable local communities to implement and further develop ecotourism activities. Capacity building will be designed to reflect local realities, with special attention to engaging women and youth in decision-making and leadership roles. This approach ensures that activities under Outputs 3.2.1 and 3.2.2 are feasible, sustainable, and can be maintained independently by communities, securing long-term benefits.

**COMPONENT 4. Knowledge Management (KM) and lessons learned**

**Outcome 4.1. Effectively disseminated project knowledge and best practices in protected areas management**

57. The project will implement a gender-responsive Knowledge Management (KM) system to capture, document, and share lessons learned and best practices, supporting learning, replication, and scaling of successful interventions. Notably, the project will leverage FAO Azerbaijan's Memoranda of Understanding with ADA University and the Azerbaijan State Agricultural University (ASAU) to strengthen academic curricula and promote knowledge transfer in sustainable agrifood systems. Building on this foundation, the project will expand collaboration to institutions such as Karabakh University, UNEC, and Baku State University, focusing on biodiversity conservation and environmental awareness while exploring opportunities to integrate its technical results into academic programs and research. Furthermore, in partnership with NGOs like IDEA and Ekosfera, the project will engage students and young professionals through practical workshops, field-based learning, and awareness-raising events to ensure a robust transfer of skills to the next generation.

**Output 4.1.1 Gender -sensitive Knowledge Management and Communication Strategy for project learning: a strategy defining actions, products, dissemination channels, and stakeholder engagement mechanisms to ensure lessons and best practices are documented, shared, and accessible.**

**Output 4.1.2 Knowledge and best practices information deposited and disseminated in dedicated knowledge sharing platform and events:** project knowledge and results will be made available through a sustainable platform and complemented by targeted events to promote replication, scaling, and future investment, with long-term sustainability ensured through institutional handover.

**COMPONENT 5. Monitoring and Evaluation (M&E)**

**Outcome 5.1. Established and operationalized comprehensive project monitoring system**

58. The project will establish a comprehensive M&E system to track progress, results, and performance, supporting adaptive management and accountability. Linked with KM, insights will be documented and shared to enhance learning, replication, and scaling through these outputs:

*Output 5.1.1. Gender-responsive M&E framework and tools developed and deployed:* to track progress, capture gender-differentiated impacts, and feed into KM for learning and decision-making.

### **Outcome 5.2. Project reporting and evaluation system implemented**

59. The project will implement a reporting and evaluation system to ensure timely, accurate, and consistent monitoring of performance, strengthen national capacities, and provide structured insights for adaptive management and replication beyond the project's duration through the following Outputs:

*Output 5.2.1 Project Implementation Report (PIR), Project Progress Report (PPR) and Mid-term Review (MTR) conducted:* regular reports and a mid-term review to track progress, assess results, identify challenges, and guide timely adjustments.

*Output 5.2.2 Project Terminal Evaluation (TE) conducted:* a final evaluation to assess overall performance, results, and GEF Global Environmental Benefits, producing lessons learned and recommendations, with findings shared through a closure event to support KM, scaling, and continuation of successful approaches.

### **Stakeholders' engagement**

60. The project will ensure long-term sustainability and relevance by actively engaging a broad range of stakeholders to foster a strong sense of ownership. Key actors will include, but are not limited to, critical government institutions such as the Ministry of Ecology and Natural Resources, the Ministry of Agriculture, the Ministry of Economy, and local executive authorities. National and international NGOs will also be engaged, potentially including WWF Azerbaijan, IDEA, Ekosfera, REC, and other relevant organizations to support project operations on the ground. Importantly, private sector partners will be involved to ensure the efficacy and sustainability of the socio-economic approach proposed by the project, a key pillar for guaranteeing the necessary active and motivated engagement from rural communities. Based on the selected value chains, the project will identify and involve relevant actors, which may include the Azerbaijan Tourism Board and beekeeping associations. Specialized GIS companies like Azercosmos can also be involved to ensure the implementation and lasting functionality of the mapping and monitoring systems.

61. The engaged stakeholders will play a critical role throughout the entire project cycle, contributing their expertise, knowledge, and resources to support the effective design and implementation of project interventions. In this regard, further consultations will be conducted during the project design phase to deepen understanding, consolidate partnerships, and ensure the project reflects the needs and priorities of Azerbaijan. Through the active involvement of stakeholders in capacity-building and other interventions, the project will foster a strong sense of ownership, strengthen institutional and operational capacities, and create an enabling environment for sustainable biodiversity conservation and integrated landscape management. This will ultimately lead to long-term positive impacts on rural livelihoods and ecosystem resilience.

62. Given the project's focus on protected areas, buffer zone establishment, integrated landscape management, and community engagement, a comprehensive environmental and social assessment will be undertaken during the PPG phase which will carry out a thorough assessment of the social, environmental, institutional, and governance context of the target protected areas, including historical and ongoing tensions, livelihood dependencies and potential impacts, stakeholder dynamics, and community use of natural resources, with meaningful consultations involving local communities, relevant ethnic minority groups, civil society organizations, and other stakeholders. The Terms of Reference for the assessment are provided under Annex G of the PIF document (attached separately).

63. The findings and recommendations of this assessment will directly inform and, where necessary, reshape the final project design, with identified risks, mitigation measures, and Environmental and Social Management Plan actions systematically integrated into project components, outcomes, outputs, activities,

implementation arrangements, stakeholder engagement mechanisms, and safeguard instruments, alongside corresponding budget allocations to ensure effective implementation.

64. The project design will also incorporate identified capacity-building needs for local communities, civil society organizations, and relevant institutions, and where appropriate, local organizations, facilitators, or civil society actors will be sought out to be engaged to support meaningful consultations and community engagement.

65. The project will adopt a participatory governance approach that promotes meaningful representation of local communities and relevant stakeholders in decision-making processes, ensuring their continued engagement throughout project design, implementation, monitoring, and adaptive management. The project design will also include local communities and representatives of vulnerable groups as active implementation partners and contributors to project activities to support inclusive and sustainable project outcomes; ensuring all segments/different groups within the local population are empowered, their voices and concerns are captured, and their meaningful participation is achieved.

### **Gender Dimension**

66. Aligned with the FAO and GEF Gender Policies, the project is designed to be fully gender-responsive, ensuring a gender lens is applied to all activities to guarantee equitable access to opportunities and leadership roles. Gender responsiveness is a core enabling factor for achieving transformative impacts, as neglecting these dynamics would undermine the project's effectiveness and sustainability. Under Component 1, all policy recommendations and analytical work will be developed through a gender lens, identifying and correcting gaps in existing national and sectoral policies in the country that hinder equal opportunities for women, particularly in decision-making processes. Activities such as the policy reviews, the formulation of national and local strategies, and the strengthening of institutional frameworks will incorporate gender-responsive assessments to ensure equal access to resources, services, and leadership roles for women and men.

67. Furthermore, the project is built on the awareness that women constitute a significant share of the rural workforce in Azerbaijan and are key drivers of social and environmental change. Therefore, it will actively promote income-generating opportunities for them and remove the barriers that limit their participation. In this regard, under Components 2 and 3, which focus on the sustainable use of natural resources to simultaneously ensure biodiversity conservation and strengthen livelihoods, the project will ensure that women play a central role in implementation. Women entrepreneurs, cooperatives, and households in the target areas will be actively engaged in activities such as community-based restoration initiatives, sustainable natural resource management planning, biodiversity-friendly economic activities, and the development of nature-based value-chains.

68. A gender-sensitive Knowledge Management and Communication Strategy will ensure that women's perspectives shape awareness campaigns and the dissemination of good practices. Additionally, a gender-responsive Monitoring, Evaluation, and Learning framework will collect sex-disaggregated data and track women's participation and influence across all components.

### **Knowledge Management (KM)**

69. Knowledge Management (KM) is a core element of the project, designed to capture, systematize, and disseminate lessons learned from the implementation of innovative approaches for protected area management, biodiversity conservation, and sustainable livelihoods. Key project outputs will serve as the primary sources of knowledge: among them, the zoning methodology and its piloting will provide practical lessons on spatial planning and integrated landscape management; integrated land and ecosystem management plans for the National Parks will offer guidance on operationalizing zoning in core areas; participatory landscape management models for buffer zones will demonstrate approaches for engaging local

communities in sustainable resource management, reducing external pressures on the core protected areas, thereby enhancing the overall protection and ecological integrity of the entire ecosystem; mapping and monitoring systems will generate spatial and ecological data critical for adaptive management; and Component 3, supporting ecotourism and strategic nature-based value chains, will yield insights on aligning biodiversity conservation with economic opportunities and rural livelihoods.

70. A gender-sensitive KM and Communication Strategy will guide the documentation and sharing of outputs, capturing both women's and men's perspectives. Knowledge will be stored on a sustainable, accessible platform and disseminated through targeted events and participatory forums, supporting evidence-based learning, replication, and scaling of successful approaches.

71. By linking KM closely to project outputs, the project ensures that lessons from piloting, planning, and implementation feed into decision-making, policy dialogue, and capacity-building activities. Long-term sustainability will be promoted through the handover of the platform and KM responsibilities to a suitable national institution, enabling continued use of knowledge for informed management of protected areas and their buffer zones beyond the project's lifetime.

### **Coordination and Cooperation with Ongoing Initiatives and Project.**

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

72. FAO will not play an execution role within the project. The institutional setting for the project positions FAO as the Implementing Agency, responsible for overall project design, strategic oversight, and adherence to GEF best practices in biodiversity conservation and sustainable land management. The execution of project activities will be undertaken by the Government of Azerbaijan, leveraging the capacities of relevant national agencies and institutions with demonstrated experience in ecosystem management and community engagement.

73. The WWF Azerbaijan is considered a potential operating partner for on-the-ground implementation and technical support. This potential partnership will be further reviewed and formally confirmed by the Government during the PPG period.

74. The project governance and management structure will entail the establishment of a Project Steering Committee (PSC), chaired by the Ministry of Ecology and Natural Resources (MENR), which will provide strategic guidance and technical oversight to ensure alignment with national priorities. Tentative membership includes relevant units of MENR, National Park authorities, the Ministry of Agriculture, the Ministry of Economy, the State Agency for Water Resources, and the Azerbaijan Tourism Board. To ensure cross-sectoral collaboration and local expertise, the PSC will also include the Project Implementing and Executing Agencies, alongside civil society and technical organizations such as WWF Azerbaijan, IDEA, Ekosfera, and REC, as well as representatives from municipalities and private sector associations.

75. The Executing Agency (to be defined during the PPG period) will be responsible for the day-to-day management of project activities, ensuring the timely delivery of results and operational reporting in compliance with FAO and GEF requirements. As the GEF Implementing Agency (IA), FAO will hold overall accountability for the delivery of results, providing project cycle management, fiduciary oversight, and technical supervision in accordance with established GEF policies.

76. The project is designed to build on and complement existing GEF-supported initiatives in Azerbaijan, notably the "Conservation and Sustainable Use of Biodiversity: Strengthening the Network of Protected Areas through Advanced Governance and Management" (GCP/AZE/004/GFF). Focusing on Hirkan and Shirvan National Parks, this ongoing project has generated valuable experience in enhancing governance and

management capacities of Protected Areas, which informed the design of the proposed initiative. Lessons from its interventions, including ecosystem management and community engagement approaches, will guide the development and piloting of the zoning methodology and the broader integrated landscape management approach. Opportunities for knowledge exchange, joint learning events, and coordination of field activities will be explored to ensure continuity, avoid duplication, and strengthen synergies between the initiatives.

77. In addition, Azerbaijan participates in the regional project funded by the Government of Türkiye, “Improving Biodiversity and Sustainable Forestry” (GCP/SEC/025/TUR), which strengthens capacity and knowledge on biodiversity conservation and sustainable forest management across multiple countries. Coordination with this regional initiative will allow the project to draw on comparative lessons, technical expertise, and monitoring tools that can be adapted to Azerbaijan, particularly in forested ecosystems and buffer zones of target Protected Areas. Joint capacity-building activities, workshops, and experience exchanges may be pursued to reinforce local skills, promote cross-learning, and foster regional collaboration.

78. Through these coordinated efforts, the project ensures that interventions are mutually reinforcing with ongoing initiatives, maximize efficiency, and leverage existing knowledge and capacities, strengthening biodiversity conservation, ecosystem resilience, and sustainable livelihoods, while creating favourable conditions for scaling and replicating successful practices across the country.

## Core Indicators

### Indicator 1 Terrestrial protected areas created or under improved management

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
| 80665                | 0                                | 0                    | 0                   |

### Indicator 1.1 Terrestrial Protected Areas Newly created

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
| 0                    | 0                                | 0                    | 0                   |

| Name of the Protected Area | WDPA ID | IUCN Category | Total Ha (Expected at PIF) | Total Ha (Expected at CEO Endorsement) | Total Ha (Achieved at MTR) | Total Ha (Achieved at TE) |
|----------------------------|---------|---------------|----------------------------|----------------------------------------|----------------------------|---------------------------|
|----------------------------|---------|---------------|----------------------------|----------------------------------------|----------------------------|---------------------------|

### 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) |
|----------------------|----------------------------------|----------------------------|---------------------------|
| 80665                | 0                                | 0                          | 0                         |

| Name of the Protected Area | WDPA 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) |
|----------------------------|---------|---------------|----------------------|----------------------------------|----------------------------|---------------------------|------------------------------------------|------------------------------|-----------------------------|
| Akhar-Bakhar               |         |               | 23,902.00            |                                  |                            |                           |                                          |                              |                             |
| Ilisu                      |         |               | 13,966.00            |                                  |                            |                           |                                          |                              |                             |
| Zangazur                   |         |               | 42,797.00            |                                  |                            |                           |                                          |                              |                             |

#### 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) |
|----------------------|----------------------------------|----------------------|---------------------|
| 219907               | 0                                | 0                    | 0                   |

#### 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) |
|----------------------|----------------------------------|----------------------|---------------------|
| 219,907.00           |                                  |                      |                     |

#### Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

| 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) |
|----------------------|----------------------------------|----------------------|---------------------|
|                      |                                  |                      |                     |

#### Indicator 4.4 Area of High Conservation Value or other forest loss avoided

| Disaggregation Type | Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|---------------------|----------------------|----------------------------------|----------------------|---------------------|
|                     |                      |                                  |                      |                     |

#### Indicator 4.5 Terrestrial OECMs supported

| Name of the OECMs | WDPA-ID | Total Ha (Expected at PIF) | Total Ha (Expected at CEO Endorsement) | Total Ha (Achieved at MTR) | Total Ha (Achieved at TE) |
|-------------------|---------|----------------------------|----------------------------------------|----------------------------|---------------------------|
|                   |         |                            |                                        |                            |                           |

#### Documents (Document(s) that justifies the HCVF)

| Title |
|-------|
|       |

#### 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 <sub>2</sub> e (direct)   | 2128087  | 0                    | 0                 | 0                |
| Expected metric tons of CO <sub>2</sub> 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 <sub>2</sub> e (direct)   | 2,128,087 |                      |                   |                  |
| Expected metric tons of CO <sub>2</sub> e (indirect) |           |                      |                   |                  |

|                                      |      |  |  |  |
|--------------------------------------|------|--|--|--|
| Anticipated start year of accounting | 2026 |  |  |  |
| Duration of accounting               | 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 <sub>2</sub> e (direct)   |          |                      |                   |                  |
| Expected metric tons of CO <sub>2</sub> 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) |
|------------|---------------------------------|---------------------------------------------|---------------------------------|--------------------------------|
|------------|---------------------------------|---------------------------------------------|---------------------------------|--------------------------------|

#### Indicator 11 People benefiting from GEF-financed investments

|        | Number (Expected at PIF) | Number (Expected at CEO Endorsement) | Number (Achieved at MTR) | Number (Achieved at TE) |
|--------|--------------------------|--------------------------------------|--------------------------|-------------------------|
| Female | 7,787                    |                                      |                          |                         |
| Male   | 8,518                    |                                      |                          |                         |
| Total  | 16,305                   | 0                                    | 0                        | 0                       |

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

- PROJECT CORE INDICATOR 1.2

A total of 80,665 hectares of protected areas will be under improved management effectiveness.

This figure represents the total territorial extension of the three target National Parks:

- Ilisu > 13,966 ha
- Akhar-Bakhar > 23,902 ha
- Zangazur > 42,797 ha

The improvement in management effectiveness will be achieved through the piloting of a new zoning methodology, and the development and launch of integrated land and ecosystem management plans in all three parks.

- PROJECT CORE INDICATOR 4.1

A total of 219,907 hectares of landscapes will be under improved practices to benefit biodiversity.

This figure encompasses the combined territorial extension of the three target National Parks and their surrounding buffer zones, as detailed below:

- o Target National Parks: 80,665 hectares (as detailed under C.I. 1.2)
- o Proposed Buffer Zones: 139,242 hectares, with the following breakdown:
  - Buffer zone Ilisu > 45,793 ha
  - Buffer zone Akhar-Barar > 28,261 ha
  - Buffer zone Zangazur > 65,188 ha

Ilisu National Park: 13,966 ha

Ilisu buffer zone: 45,793 ha

Akhar-Bakhar National Park: 23,902 ha

Akhar-Bakhar buffer zone: 28,261 ha

Zangazur National Park: 42,797 ha

Zangazur buffer zone: 65,188 ha

Total: 219,907 ha

The project will formally establish buffer zones around the three target National Parks and will develop and implement participatory management models for the local land and natural resources. This intervention is further strengthened by promoting ecologically sustainable nature-based value chains, motivating communities to adopt improved resource management practices. These buffer zone activities will effectively combine with and complete the integrated land and ecosystem management plans developed within the core areas of the three parks.

- PROJECT CORE INDICATOR 6

This indicator/mitigated GHG emissions is calculated with the Nationally Determined Contribution Expert Tool (NEXT) of FAO. The excel file with the NEXT calculations is attached separately in the documentation section of the PIF.

The project implements two primary types of interventions: the improved management effectiveness of 80,665 hectares of core protected areas and the establishment and management of 139,242 hectares of new buffer zones, which entail participatory models and sustainable nature-based value chains. Additionally, minor direct and indirect mitigation benefits are expected from specific activities under Outcome 2.2 and 3.1, which include the introduction of SLM, agroforestry practices, and sustainable production systems within the project areas. The total land area targeted under the project is 219,907 hectares, leading to an estimated 2,128,087 metric tons of GHG Emissions Mitigated over a 20-year period.

- PROJECT CORE INDICATOR 11

Component 1: 120 men + 80 women = Total 200

Component 2: 1,896 men + 1,264 women = Total 3,160

Component 3: 180 men + 120 women = Total 300

Component 4: 6,322 men + 6,323 women = Total 12,645

TOTAL: 8,518 men + 7,787 women = Total 16,305

#### Component 1

Intervention: Institutional and operational capacity building at the national and local levels (e.g., training, workshops, seminars, etc.)

Total Beneficiaries: 200 participants

Women: 40% = 80 participants

Men: 60% = 120 participants

#### Component 2

Intervention: Engaging local communities in ecosystem stewardship activities within protected areas and surrounding landscapes/buffer zones (e.g., participation in management planning, community-based restoration initiatives, sustainable resource management practices).

The total population living in the target areas, including both PA and buffer zones, is approximately 63,225.

About 5% of them are expected to benefit from activities implemented under this component.

Total Beneficiaries: 3,160 participants

☐ Women: 40% = 1,264 participants

☐ Men: 60% = 1,896 participants

#### Component 3

Intervention: Participation in and benefiting from ecotourism and nature-based value chain activities (e.g., technical support for enhancing production, processing, and certification systems, business development support, capacity building for service delivery, engagement in pilot ecotourism initiatives, etc.).

Total Beneficiaries: 300 participants (100 in each target National Park area)

☐ Women: 40% = 120 participants

☐ Men: 60% = 180 participants

#### Component 4

Intervention: Knowledge products production and dissemination (e.g., case studies, policy briefs, technical guidelines, spatial data, awareness campaigns, and information shared via the dedicated knowledge-sharing platform and targeted events, etc.)

Approximately 20% of the total target area population of 63,225 people is expected to be reached by the KM activities

Total Beneficiaries: 12,645 people

☐ Women: 50% ≈ 6,323 participants

Men: 50% ≈ 6,322 participants

## Key Risks

|                          | Rating   | Explanation of risk and mitigation measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CONTEXT                  |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Climate                  | Moderate | <p><b>Risk:</b> Azerbaijan is experiencing significant climate change impacts, with average temperatures rising by 0.4–1.3°C over the past century and climate-related hazards intensifying. Changes in temperature and precipitation are already affecting agricultural production, accelerating soil erosion, and altering species distribution within natural reserves. Protected areas face increasing pressure from ecosystem degradation, shifting habitats, and loss of biodiversity. Rural communities living around protected areas are particularly vulnerable. Without intervention, these trends are projected to intensify, undermining the resilience of both natural systems and the rural communities that depend on them. The absence of adopted national and local adaptation plans further exacerbates this risk, leaving a critical gap in the strategic framework for response.</p> <p><b>Mitigation:</b> The project is designed as a comprehensive climate adaptation and resilience-building intervention. It will address climate risks through an integrated approach that strengthens the institutional and policy environment for Protected Area management, including the introduction of a zoning methodology that will enhance the adaptation and mitigation capacity of forests and protected areas. Through participatory landscape management, the project will enhance ecosystem resilience by mitigating soil erosion and improving the health of forests and landscapes, thereby reducing vulnerability to climate impacts such as fires, droughts, and floods. Furthermore, by strengthening institutional capacity, governance frameworks, and integrated planning, the project directly enhances the resilience of local livelihoods and lays the groundwork for long-term climate adaptation in both ecosystems and dependent communities.</p> |
| Environmental and Social | Moderate | <p><b>Risk:</b> Persistent socio-economic constraints, limited access to alternative livelihoods, and outmigration of youth in rural communities surrounding the target National Parks could reduce participation in project interventions. Social norms and limited capacity among women and vulnerable groups may also restrict their engagement, potentially weakening the adoption of the proposed sustainable practices. <b>Mitigation:</b> The project will adopt a participatory approach to actively involve local communities, including women and youth, in decision-making, capacity building, and implementation of the proposed activities. By promoting alternative income-generating opportunities tailored to local conditions, the project will incentivize youth to remain engaged locally, while fostering community ownership to ensure sustained participation and long-term adoption of project interventions. <b>Risk:</b> Continued biodiversity loss, degradation of forests and land, and pressures on natural resources could undermine the impact of conservation and restoration measures, hampering or slowing down their effect. <b>Mitigation:</b> The project will implement targeted conservation and restoration interventions designed to halt and reverse</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          |     | biodiversity loss, improve ecosystem integrity, and enhance the resilience of forests, agro-woodlands, and other critical habitats. Using evidence-based integrated landscape management approaches, the project will prioritize habitat restoration, species protection, and sustainable resource management. Also, adaptive monitoring will ensure interventions effectively address ongoing environmental pressures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Political and Governance | Low | <p>Risk: The project requires coordination among several institutions involved in protected area management and rural development. Therefore, administrative procedures or changes in institutional responsibilities may influence the timing of certain implementation steps. These factors are typical considerations in multi-stakeholder project management and do not pose a substantive risk to project outcomes, though they may affect the pace of decision-making at specific stages. Overall, the political environment in Azerbaijan is stable, and any governance-related considerations for this project relate primarily to the administrative procedures required among institutions. Mitigation: Implementation will be guided by clear coordination arrangements and agreed planning processes to support timely decision-making and effective collaboration among the involved institutions. Should institutional or governance arrangements change during the project, the Project Steering Committee and established coordination mechanisms will enable adaptive management and ensure continuity of activities.</p> |

#### INNOVATION

|                          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Institutional and Policy | Low | <p>Risk: Despite recent progress in strengthening the institutional and policy framework for biodiversity and climate commitments, some constraints remain that may hinder effective implementation. Limited capacity and staffing within the Ministry of Ecology and Natural Resources (MENR) and its Forest Development Service reduce the effectiveness of protected area management and restrict the government's ability to fulfil biodiversity, forest restoration, and climate commitments. The absence of a clear adaptation component in the updated NDC, coupled with insufficient integration of climate considerations into sectoral policies and territorial planning, may also delay or complicate the adoption of new approaches. Weak coordination could limit the uptake, replication, and long-term institutionalization of the project's integrated landscape and ecosystem management models. Additionally, Inter-ministerial coordination may affect the wider uptake and long-term institutionalization of integrated landscape and ecosystem management models. Mitigation: The project is specifically designed to address these institutional constraints, aiming to strengthen the enabling environment for protected area and landscape governance by providing targeted technical assistance to improve policies and regulatory frameworks, including the development of a climate-informed zoning methodology and alignment with international standards. Through capacity development for policymakers, park staff, and other critical stakeholders, the project will address institutional gaps and enhance technical and operational competencies. By fostering participatory planning, improving coordination mechanisms, and promoting a landscape-ecological approach, the</p> |
|--------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                              |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              |     | project will help ensure that integrated management models are understood, accepted, and ready for future national adoption. These efforts collectively reduce institutional risks and support long-term sustainability and policy uptake.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Technological                | Low | Risk: Limited availability or accessibility of appropriate technologies may delay the introduction of improved mapping and monitoring systems for protected areas, necessary to adopt and implement the proposed zoning methodology. Inadequate familiarity with digital tools among park staff and local institutions could further reduce the effectiveness and long-term sustainability of monitoring, planning, and zoning efforts. Mitigation: The project will procure suitable GIS solutions, selected following a thorough technical assessment. It will deliver targeted capacity-building activities for involved staff, both at the national and local levels, and other key stakeholders to ensure they develop the necessary skills for the effective and sustained use of the provided tools. By strengthening both technological access and user capacity, the project will enable reliable mapping and monitoring throughout implementation and beyond.                                                                                                                                                                                                                |
| Financial and Business Model | Low | Risk: Potential delays or constraints in financial support from national or local authorities may pose challenges for timely project implementation and could influence the extent of its impact Mitigation: The project will maintain regular communication with relevant authorities to support timely planning and coordination of resources. If needed, the timing or sequencing of activities will be adjusted to align with budget cycles and available funding, ensuring continuity of implementation. Risk: Limited access to financial mechanisms, credit, or markets for local communities and smallholders may constrain the uptake and sustainability of proposed nature-based value chains, ecotourism initiatives, and other income-generating activities. Mitigation: The project will pilot profitable and sustainable business models, such as ecotourism, beekeeping, and strategic nature-based value chains, demonstrating cost-effectiveness and creating incentives for local participation. Complementary capacity-building and technical support will help communities access markets, improve business planning, and strengthen long-term economic viability. |

#### EXECUTION

|          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capacity | Moderate | Risk: Execution capacity of potential implementing partners may be limited, and the pool of partners able to support project implementation may also be relatively small. This could create challenges in recruiting qualified consultants, managing procurement, and ensuring effective monitoring and evaluation, which may slow implementation or affect delivery quality. Mitigation: The project will strengthen the M&E and operational capacities of potential executing partners through targeted training and technical support during the project formulation stage and throughout implementation. FAO will provide continuous technical guidance, quality assurance, and oversight, supported by regular coordination meetings and, where needed, short-term |
|----------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |          | specialized technical assistance, to ensure smooth project delivery and compliance with FAO and GEF standards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Fiduciary           | Moderate | Risk: Executing partners may have limited experience with financial management procedures required under FAO and GEF rules, including procurement, financial reporting, and resource management. This could affect timely and compliant execution of project funds. Mitigation: FAO will provide regular financial oversight through audits, spot checks, and ongoing guidance. The project will also strengthen partners' fiduciary skills through targeted support to ensure efficient and compliant use of project funds.                                                                                                                                                                                                                                                                                    |
| Stakeholder         | Low      | Risk: Local communities living in and around the national parks may be hesitant to adopt new practices or participate in project activities. Women, in particular, may face additional barriers to participation due to traditional roles and other practical constraints. Limited awareness of biodiversity benefits may also slow the uptake of sustainable land and resource management approaches. Mitigation: The project will use participatory and gender-responsive engagement methods that reflect the local context, ensure outreach that actively involves both women and men, and clearly communicate the practical benefits of sustainable practices. Regular dialogue with community members, municipal authorities, and women's groups will help build trust and support for project activities. |
| Other               |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Overall Risk Rating | Moderate | Overall risk is moderate, with several contextual and operational factors requiring attention. The proposed mitigation measures, institutional support mechanisms, and adaptive management approach are expected to keep risks at a manageable level throughout implementation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

79. The proposed project is fully aligned with the GEF-8 Biodiversity Focal Area Strategy, specifically its first objective: *"Mainstream biodiversity across sectors and address drivers of biodiversity loss."* By strengthening national policies and governance and introducing integrated landscape management approach, the project directly supports this objective. Through the development and piloting of a zoning methodology for Protected Areas, including official buffer zones, and the implementation of participatory land use models, it addresses key drivers of biodiversity loss in Azerbaijan, such as unsustainable land use, forest degradation, and pressures on natural resources.

80. The project is also designed to be aligned with the Kunming–Montreal Global Biodiversity Framework (GBF), and it contributes to several GBF targets:

- *GBF Target 1 – Plan and manage all areas to reduce biodiversity loss:* Establishing buffer zones, piloting a zoning methodology, and developing integrated land and ecosystem management plans is indeed intended to ensure proper planning and management to revert the current BD lost.
- *GBF Target 8 – Minimize impacts of climate change on biodiversity and build resilience:* By strengthening Protected Area governance and implementing participatory, ecosystem-based management, the project increases the adaptive capacity and resilience of ecosystems and local communities, reducing vulnerabilities to droughts, landslides, and other climate-induced hazards common in Azerbaijan.
- *GBF Target 10 – Ensure sustainable use of biodiversity in agriculture, forestry, and related sectors:* Promoting biodiversity-friendly land-use practices and supporting nature-based value chains reduces pressures on forests, agro-woodlands, and other ecosystems while providing sustainable income opportunities for local communities. These interventions create scalable, replicable models of sustainable use of natural resources that integrate conservation with economic development.
- *GBF Target 14 – Integrate biodiversity in decision-making at every level:* Component 1 of the project is entirely focused on supporting legal and institutional reforms embedding biodiversity in national and local planning, complemented by a capacity-building program and a robust KM system to capture and disseminate evidence and best practices. This ensures the piloted zoning methodology and integrated landscape management models can be scaled and replicated nationwide, aiming to integrate BD into decision-making at all levels.
- *GBF Target 23 – Ensure gender equality and gender-responsive approaches:* The project ensures women and men participate equally in decision-making and benefit equitably. Beyond numerical parity, it addresses gender disparities, recognizing women’s critical role in sustainable land and resource management in rural communities, thereby strengthening the inclusivity, effectiveness, and sustainability of interventions.

#### Alignment with national priorities and policies

81. The project aligns with Azerbaijan’s frameworks for biodiversity conservation, sustainable land management, rural development, and climate resilience. Component 1 strengthens the legal and institutional framework for PA and buffer-zone management, promotes ecosystem-based approaches, and pilots integrated landscape management. Establishing buffer zones and piloting the zoning methodology ensures alignment with national strategies while supporting scaling and replication. The intervention does not contradict any policy and, on the contrary, it builds upon them and intend to strengthen existing regulatory framework and strategies and demonstrate evidence-based approaches for biodiversity conservation and sustainable rural development.

#### Alignment with FAO and regional priorities

82. The project contributes to the FAO–Azerbaijan CPF (2026–2030):

- Outcome 2: By 2030, people in Azerbaijan benefit from green growth, just transition, and strengthened ecosystems and climate resilience
- Output 2.2: Strengthened institutional and technical capacities for sustainable land, water, and ecosystem management, and promotion of circular and climate-resilient agrifood systems.

83. Regionally, the project aligns with the FAO Priority Area on sustainable natural resource management and biodiversity preservation in a changing climate. By linking policy reforms, pilot implementation, participatory landscape management, and sustainable livelihood development, the project generates evidence and knowledge to enable scaling and replication, ensuring long-term impact on biodiversity, ecosystem resilience, and rural livelihoods in Azerbaijan.

#### D. POLICY REQUIREMENTS

##### **Gender Equality and Women's Empowerment:**

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

##### **Stakeholder Engagement**

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

##### **Were the following stakeholders consulted during project identification phase:**

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations: Yes

Private Sector: Yes

##### **Provide a brief summary and list of names and dates of consultations**

84. The proposed PIF has been informed by a series of stakeholder consultations conducted between October 2024 and the submission of the PIF. These consultations were carried out through bilateral meetings, technical discussions, and documented field-level missions. A final validation workshop was held on 11 December 2025, during which the project context and key barriers were reviewed and validated with the participation of key stakeholders. The Stakeholder Consultation Workshop brought together approximately 33 participants, including representatives from the Ministry of Ecology and Natural Resources, the Ministry of Agriculture and its subordinate institutions namely the Agrarian Services Agency, Agrarian Training Center, and the Agro Credit and Development Agency as well as FAO country and regional offices. The consultation also included participation from non-governmental organizations (including WWF Azerbaijan), civil society organizations. The workshop provided an opportunity to review the overall project rationale, proposed components, and implementation approach. Participants confirmed the relevance of the project in supporting effective management of newly established national parks and alignment with national priorities and ongoing biodiversity initiatives. The importance of strengthening institutional capacities, improving zoning and spatial planning through modern digital tools, and ensuring that project interventions reflect field realities and existing land-use practices were highlighted. The participants also noted the need for strong coordination among stakeholders and identified preliminary opportunities for partnerships and co-financing to be further elaborated during the PPG phase.

85. Inputs received through this consultative process informed the PIF design, strategic focus, proposed interventions, and the preliminary identification of stakeholder roles. During the Project Preparation Grant (PPG) phase, the project design team will ensure targeted consultations with local communities, youth and women's groups, relevant private sector actors, and other stakeholders to further strengthen inclusiveness and participatory project design.

86. A comprehensive Stakeholder Engagement Plan will be developed during the project preparation phase. A preliminary list of stakeholders is provided below:

| Stakeholder                                                | Stakeholder engagement during project preparation                                                                                                                            |                                                                                                                                                                                                   |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            | How will they be engaged during the project preparation process?                                                                                                             | Role during project preparation                                                                                                                                                                   |
| Ministry of Ecology and Natural Resources (MENR)           | Technical consultations on project scope<br><br>Provision and validation of baseline data<br><br>Participation in design workshops and bilateral meetings                    | Lead national counterpart and decision-making authority; provides strategic oversight of project design and policy alignment, and validates and approves methodologies and buffer-zone approaches |
| Ministry of Agriculture (MoA)                              | Technical consultations<br><br>Data sharing on agricultural practices and rural livelihoods                                                                                  | Policy coordination partner; ensures alignment with agricultural, pasture, and rural development policies relevant to buffer zones                                                                |
| WWF Azerbaijan (Executing Entity)                          | Active participation in project conceptualization and technical design<br><br>Field-level consultations and feasibility assessments                                          | Proposed Executing Entity; provides technical inputs to project design and feasibility                                                                                                            |
| Zangazur, Ilisu and Akhar-Bakhar National Parks Management | Site-level consultations<br><br>Validation of proposed pilot activities                                                                                                      | Operational stakeholders; provide site-level technical inputs and identify priority needs for zoning, capacity building, and management planning                                                  |
| Local Communities (including women and youth)              | Consultations on resource-use practices, conflicts, and livelihood priorities<br><br>Participatory discussions on buffer zones, access, and alternative income opportunities | Primary beneficiaries and co-designers of participatory and gender-responsive landscape and livelihood interventions                                                                              |
| Civil Society Organizations and                            | Consultations on community engagement approaches,                                                                                                                            | Advisory role supporting participatory, inclusive, and conflict-sensitive approaches                                                                                                              |

|                                                                    |                                                                     |                                                                                             |
|--------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Community-based Organizations                                      | gender inclusion, and social dynamics                               |                                                                                             |
| Private Sector Entities (ecotourism operators, value-chain actors) | Consultations to assess market potential and investment constraints | Potential partners providing market-based inputs to livelihood and value-chain design       |
| Academic and Technical Institutions (e.g. GIS, research bodies)    | Technical consultations on mapping, monitoring, and data systems    | Technical advisory role supporting zoning methodology, GIS tools, and monitoring frameworks |

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

### Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

### Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

### Overall Project/Program Risk Classification

| PIF             | CEO<br>Endorsement/Approval | MTR | TE |
|-----------------|-----------------------------|-----|----|
| Medium/Moderate |                             |     |    |

## E. OTHER REQUIREMENTS

### Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

## ANNEX A: FINANCING TABLES

### GEF Financing Table

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

| GEF Agency                      | Trust Fund | Country/<br>Regional/<br>Global | Focal Area          | Programming<br>of Funds     | Grant /<br>Non-<br>Grant | GEF Project<br>Grant(\$) | Agency<br>Fee(\$) | Total GEF<br>Financing (\$) |
|---------------------------------|------------|---------------------------------|---------------------|-----------------------------|--------------------------|--------------------------|-------------------|-----------------------------|
| FAO                             | GET        | Azerbaijan                      | Biodiversity        | BD STAR<br>Allocation: BD-1 | Grant                    | 1,760,124.00             | 167,211.00        | 1,927,335.00                |
| FAO                             | GET        | Azerbaijan                      | Land<br>Degradation | LD STAR<br>Allocation: LD-1 | Grant                    | 2,218,377.00             | 210,745.00        | 2,429,122.00                |
| <b>Total GEF Resources (\$)</b> |            |                                 |                     |                             |                          | <b>3,978,501.00</b>      | <b>377,956.00</b> | <b>4,356,457.00</b>         |

### Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

150000

PPG Agency Fee (\$)

14248

| GEF Agency                   | Trust Fund | Country/<br>Regional/<br>Global | Focal Area          | Programming<br>of Funds     | Grant /<br>Non-<br>Grant | PPG(\$)           | Agency<br>Fee(\$) | Total PPG<br>Funding(\$) |
|------------------------------|------------|---------------------------------|---------------------|-----------------------------|--------------------------|-------------------|-------------------|--------------------------|
| FAO                          | GET        | Azerbaijan                      | Biodiversity        | BD STAR<br>Allocation: BD-1 | Grant                    | 66,361.00         | 6,304.00          | 72,665.00                |
| FAO                          | GET        | Azerbaijan                      | Land<br>Degradation | LD STAR<br>Allocation: LD-1 | Grant                    | 83,639.00         | 7,944.00          | 91,583.00                |
| <b>Total PPG Amount (\$)</b> |            |                                 |                     |                             |                          | <b>150,000.00</b> | <b>14,248.00</b>  | <b>164,248.00</b>        |

Please provide justification

### Sources of Funds for Country Star Allocation

| GEF Agency | Trust Fund | Country/<br>Regional/ Global | Focal Area       | Sources of Funds   | Total(\$)    |
|------------|------------|------------------------------|------------------|--------------------|--------------|
| FAO        | GET        | Azerbaijan                   | Biodiversity     | BD STAR Allocation | 2,000,000.00 |
| FAO        | GET        | Azerbaijan                   | Land Degradation | LD STAR Allocation | 2,520,705.00 |

|                     |              |
|---------------------|--------------|
| Total GEF Resources | 4,520,705.00 |
|---------------------|--------------|

## Indicative Focal Area Elements

| Programming Directions    | Trust Fund | GEF Project Financing(\$) | Co-financing(\$)     |
|---------------------------|------------|---------------------------|----------------------|
| BD-1-4                    | GET        | 1,760,124.00              | 14000000             |
| LD-1                      | GET        | 2,218,377.00              | 16500000             |
| <b>Total Project Cost</b> |            | <b>3,978,501.00</b>       | <b>30,500,000.00</b> |

## Indicative Co-financing

| Sources of Co-financing      | Name of Co-financier                                                                                  | Type of Co-financing | Investment Mobilized | Amount(\$)           |
|------------------------------|-------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Recipient Country Government | Ministry of Ecology and Natural Resources (MENR) with budget allocations from the Ministry of Finance | Public Investment    | Investment mobilized | 30000000             |
| GEF Agency                   | FAO                                                                                                   | Grant                | Investment mobilized | 500000               |
| <b>Total Co-financing</b>    |                                                                                                       |                      |                      | <b>30,500,000.00</b> |

Describe how any "Investment Mobilized" was identified

FAO co financing will include technical support, policy assistance, knowledge products under ongoing initiatives.

The co financing provided by the government will be sourced through operational and investment expenditures for national parks and forest management.

## ANNEX B: ENDORSEMENTS

### GEF Agency(ies) Certification

| GEF Agency Type        | Name            | Date       | Project Contact Person                                              | Phone        | Email                   |
|------------------------|-----------------|------------|---------------------------------------------------------------------|--------------|-------------------------|
| GEF Agency Coordinator | Jeffrey Griffin | 12/21/2025 | Senior Coordinator, GEF Coordination Unit                           | 0657055680   | Jeffrey.Griffin@fao.org |
| Project Coordinator    | Aygul Guluzade  | 12/21/2025 | GEF Support Specialist, Regional Office for Europe and Central Asia | 994514963346 | Aygul.Guluzade@fao.org  |

### Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

| Name            | Position                                      | Ministry                                                                | Date<br>(MM/DD/YYYY) |
|-----------------|-----------------------------------------------|-------------------------------------------------------------------------|----------------------|
| Emin Garabaghli | Head of Division of International Cooperation | Ministry of Ecology and Natural Resources of the Republic of Azerbaijan | 9/9/2025             |

## ANNEX C: PROJECT LOCATION

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

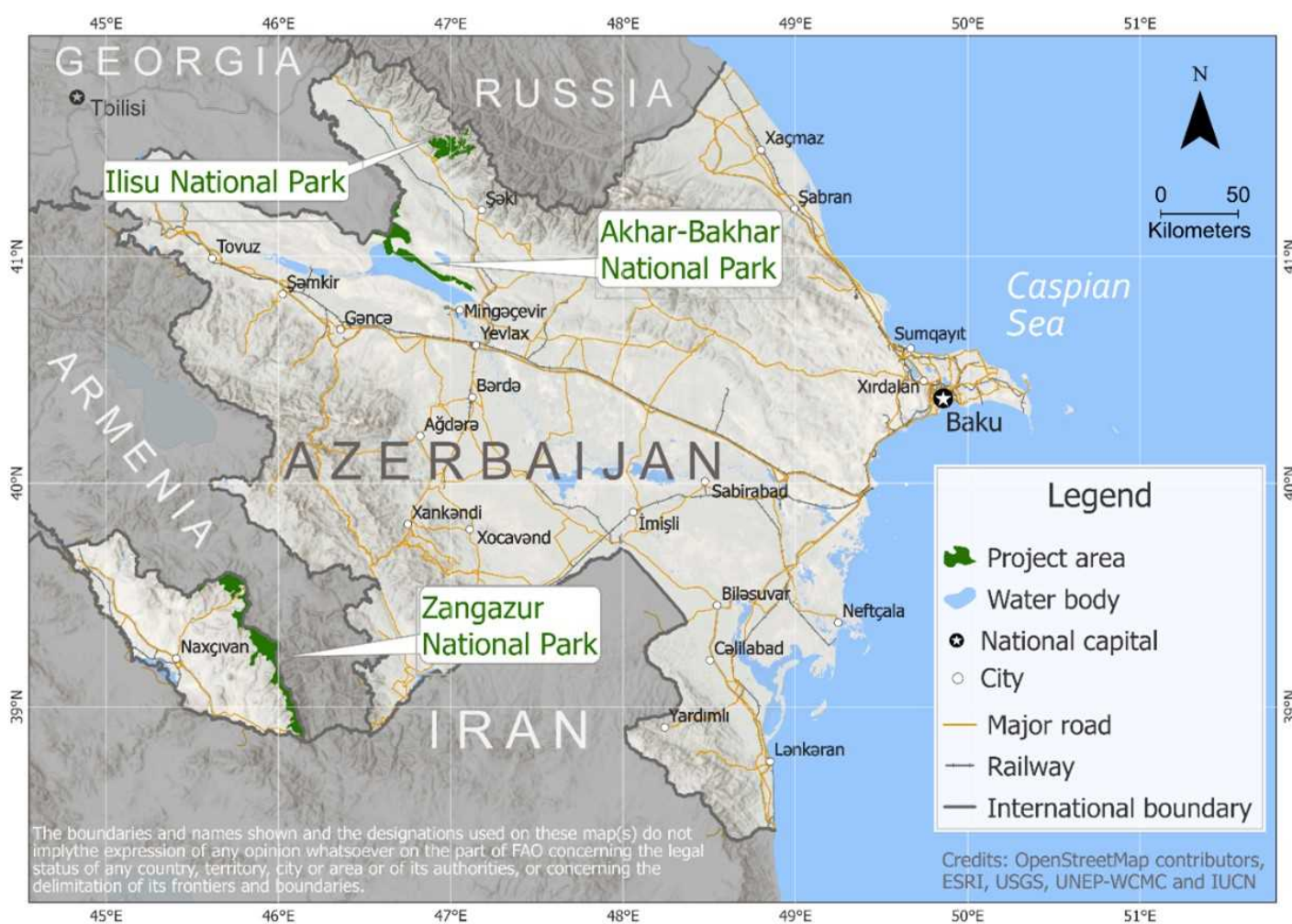


Figure 1 Project areas

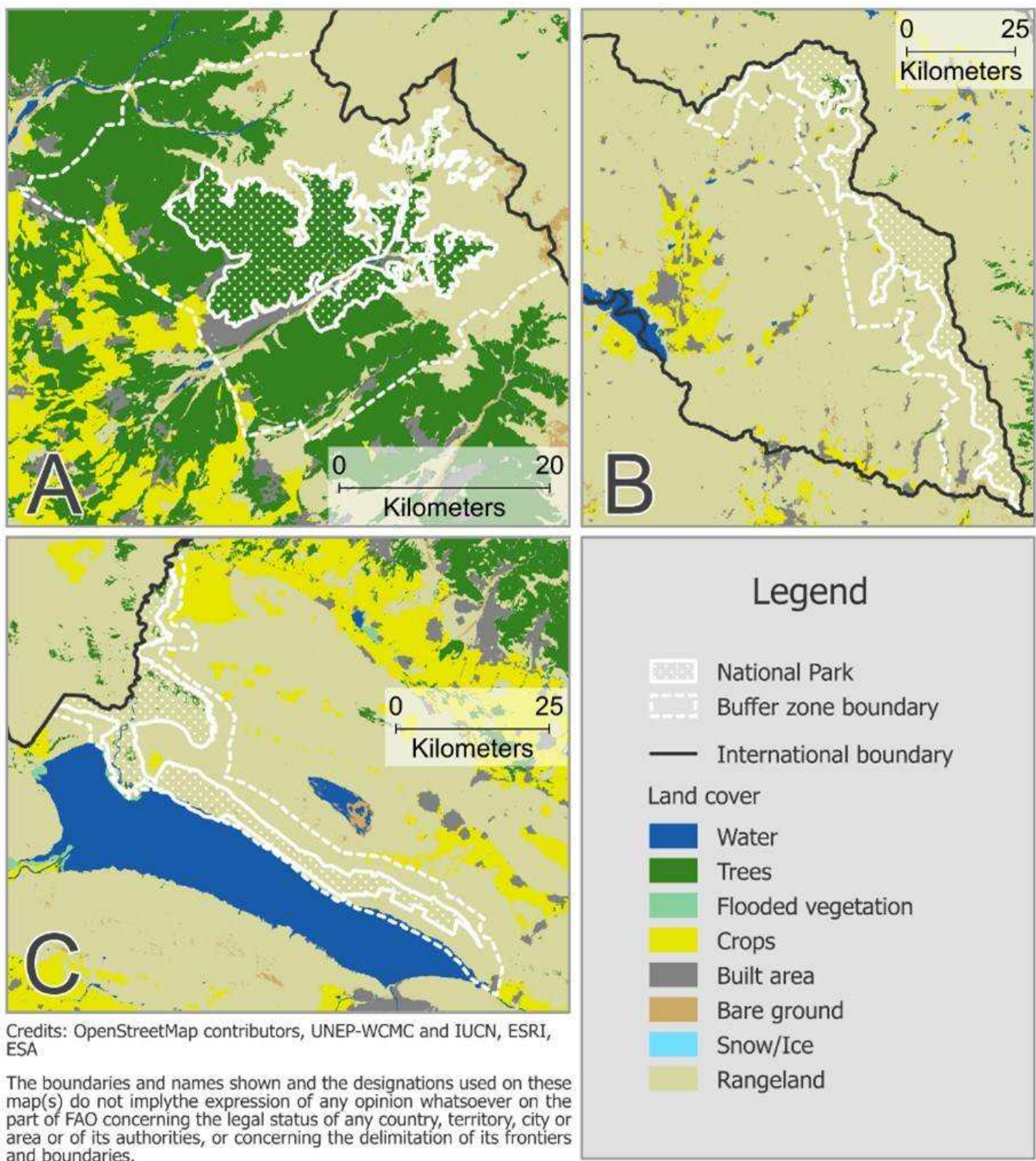


Figure 2 Land use and land cover in the three project areas (national parks) and potential buffer zones; A - Ilisu National Park, B - Zangazur National Park, C - Akhar-Bakhar National Park

#### ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

12257\_Full ES Risk Screening checklist for PIF

#### ANNEX E: RIO MARKERS

| Climate Change Mitigation | Climate Change Adaptation | Biodiversity          | Land Degradation        |
|---------------------------|---------------------------|-----------------------|-------------------------|
| Significant Objective 1   | No Contribution 0         | Principal Objective 2 | Significant Objective 1 |

#### ANNEX F: TAXONOMY WORKSHEET

| LEVEL 1                          | LEVEL 2                                                                                                                                    | LEVEL 3                                                                                                                                                               | LEVEL 4                                                                                                                                |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Capacity, Knowledge and Research | Innovation<br>Capacity Development<br>Knowledge Generation<br>Knowledge Exchange                                                           | Field Visit<br>Workshop Training                                                                                                                                      |                                                                                                                                        |
| Gender Equality                  | Gender Mainstreaming<br>Gender results areas                                                                                               | Beneficiaries<br>Gender-sensitive indicators<br>Sex-disaggregated indicators<br>Capacity Development<br>Awareness Raising                                             |                                                                                                                                        |
| Stakeholders                     | Communications<br>Private Sector<br>Local Communities Beneficiaries Civil Society<br>Type of Engagement                                    | Public Campaigns Awareness Raising<br>Strategic Communications<br>SMEs<br>Non-Governmental Organization<br>Information Dissemination<br>Participation<br>Consultation |                                                                                                                                        |
| Focal Areas                      | Biodiversity                                                                                                                               | Mainstreaming<br>Protected Areas and Landscapes                                                                                                                       | Agriculture and agrobiodiversity Tourism<br>Community Based Natural Resource Mngt Productive Landscapes<br>Terrestrial Protected Areas |
| Influencing models               | Demonstrate innovative approaches<br>Strengthen institutional capacity and decision-making<br>Transform policy and regulatory environments |                                                                                                                                                                       |                                                                                                                                        |