



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4730		
Country/Region:	Azerbaijan		
Project Title:	Increasing Representation of Effectively Managed Marine Ecosystems in the Protected Area System		
GEF Agency:	UNDP	GEF Agency Project ID:	4327 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Biodiversity
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$1,291,500
Co-financing:	\$6,491,069	Total Project Cost:	\$7,782,569
PIF Approval:	January 20, 2012	Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ivan Zavadsky	Agency Contact Person:	Johan Robinson

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	09 Dec 2011 Yes, Azerbaijan became a party to CBD in 2000.	
	2. Has the operational focal point endorsed the project?	09 Dec 2011 Yes, a letter signed by Azerbaijan's OFP Mr. Hussein Bagirov dated 24/11/2011 has been submitted.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	09 Dec 2011 Yes, UNDP has an extensive experience of working on biodiversity conservation worldwide with a large portfolio of PA projects across Europe and CIS.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	n/a	
	5. Does the project fit into the Agency's program and staff capacity in the country?	09 Dec 2011 Yes, the project will be implemented by the technical and administrative staff in UNDP country office in Azerbaijan with	

		Centre in Bratislava.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> the STAR allocation? 	09 Dec 2011 Yes, \$ 1.5 million requested for this project is within Azerbaijan's total STAR allocation of \$11.48 million (\$5.7 million utilized so far).	
	<ul style="list-style-type: none"> the focal area allocation? 	09 Dec 2011 Yes, Azerbaijan has \$1.5 million STAR resources for BD focal area, which equals the amount requested for this project, including PPG and agency fees.	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	n/a	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	n/a	
	<ul style="list-style-type: none"> Nagoya Protocol Investment Fund 	n/a	
	<ul style="list-style-type: none"> focal area set-aside? 	n/a	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	09 Dec 2011 Yes, in line with BD results framework.	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	09 Dec 2011 Not fully. Table A suggests that the project addresses BD-1 only. However, in Component 1 of the project framework, "Agreed procedures/protocols on the control/mitigation of existing IAS and pollution and prevention of future IAS introductions in CMPAs" is listed as one of the project outcomes. According to	

		<p>addressed under BD-2: mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors. Please address.</p> <p>Jan 02, 2012 (IZ): The agency revised the PIF and totally removed any reference to IAS, therefore the project is now fully under BD Obj. 1. Cleared.</p>	
	<p>9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?</p>	<p>09 Dec 2011 Yes, in line with National Caspian Action Plan for the Republic of Azerbaijan, Azerbaijan National Programme on Environmentally Sustainable Social Development, and National Biodiversity Strategy and Action Plan 2006.</p>	
	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?</p>	<p>09 Dec 2011 Yes, the project will contribute to strengthening institutional capacity in the country for CMPA management planning and monitoring.</p>	
<p>Project Design</p>	<p>11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>09 Dec 2011 Not fully. The PIF describes the baseline scenario, not the baseline project. Moreover, as it is now, it suggests two ways of looking at the baseline. First, the Government invests \$94 million annually in water pollution mitigation, specifically for urban wastewater and sewage projects, as well as oil pollution clean-up. However, without specific geographical locations identified, it is difficult to link these measures to the proposed project activities. Secondly, if Government investment of \$1 million for the management of CMPA system is the</p>	

		<p>demonstrate the activities financed and implemented in the baseline, or identify any relevant state or local programmes/initiatives that regulate these expenditures. Please address.</p> <p>Jan 02, 2012 (IZ): Most of the concerns and questions from above comments were clarified. However one issue with regard to water pollution control remained unclear: First, the investments in pollution control in Absheron peninsula was described still in general terms. The information what investments and regulatory measures constitutes the baseline project is still missing. Also the PIF should be more specific how the baseline on pollution reduction will be determined since this is a project output. Secondly, the revised outcome in Component 1 on agreed procedures/protocols on the control/mitigation of pollution in CMPA is actually weaker or more general than the corresponding output.</p> <p>Jan 17, 2012 (IZ): Requested clarification/information provided in the revised document. Cleared.</p>	
	<p>12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/</p>	<p>09 Dec 2011 No. Since baseline project is not adequately described. it is difficult to</p>	

		<p>support. Please address question #11 on the project baseline, and articulate more clearly how the GEF funding is incremental.</p> <p>Jan 02, 2012 (IZ):</p> <p>The added text to the PIF provided requested information/clarification. Cleared.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>09 Dec 2011</p> <p>Not fully. Please address the following:</p> <ul style="list-style-type: none"> -Project objective is too ambitious in some aspects. Specifically, among other things, the project aims at financial sustainability of Azerbaijan's CMPA system. However, in the project framework and further in the text, little attention is given to the financial aspect. Development and implementation of business plans for management of CMPA is only one tool for ensuring financial sustainability. Please provide a more detailed financial strategy. -How do you plan to measure the output: "joint long-term ecological monitoring systems established"? In addition, at CEO endorsement we expect to see a separate budget line for this activity, in parity with the rest of activities in this Component. -As mentioned above project support for activities on IAS is covered by BD Objective 2. Please separate the outcome on IAS in Component 1 as BD-2 in Table 1. Furthermore, this Outcome is not reflected as an output in the outputs column, and does not appear anywhere in the following text as a planned project activity. Please clarify. 	

total marine area to be targeted by the project, preferably using the measurement units consistently. It is not clear how 20% increase has been calculated. What is the reference point? In addition, since expansion of PA core is envisaged through upgrading and gazetting new areas, please specify what the current IUCN categories are, to what categories they are expected to be reclassified.

-As suggested in Component 2, the species list and baseline for increased species numbers and improved ecosystem services is to be confirmed during PPG stage. In addition, please identify the baseline for overharvesting of fish and illegal hunting of birds so that these outcomes can also be measured throughout project implementation.

Jan 02, 2012 (IZ):

All but one comments above were clarified. The only issue remained problematic and that is the revised outcome in Component 1 on agreed procedures/protocols on the control/mitigation of pollution in CMPA, which is actually weaker or more general than the corresponding output. If the impact of baseline project indicated pollution reduction is the mitigation of pollution threats than the outcome should be formulated stronger than mentioning only protocols or procedures.

Jan 17, 2012 (IZ):

Requested clarification/information

		outcome revised. Cleared.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>09 Dec 2011 Not fully, please refer to questions #11 and 14. In addition, the expected global environmental benefits are limited to species conservation benefits. Since this project is expected to result in ecological sustainability of CMPAs, it is reasonable to assume that some ecosystem-wide benefits will be generated. Please address.</p> <p>Jan 02, 2012 (IZ): Additional information/clarification was provided. Once the questions ## 11 and 14 were fully clarified this comment would be cleared entirely.</p> <p>Jan 17, 2012 (IZ): Requested clarification/information provided in the revised document. Cleared.</p>	
	16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?	<p>09 Dec 2011 Yes, adequate for this stage.</p>	
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	<p>09 Dec 2011 Not fully. It is not clear from the PIF how local communities will be affected by expansion of existing and gazetted new protected areas, if at all. In addition, please explain briefly what will be the role of the public and local communities in the Multi-Stakeholder CMPA Working Group, and how their</p>	

		Jan 02, 2012 (IZ): Additional information/clarification was provided in the revised PIF. Cleared.	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	09 Dec 2011 Yes, partially. Please include the climate change risk and mitigation measures. Jan 02, 2012 (IZ): Additional information/clarification was provided in the revised PIF. Cleared.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	09 Dec 2011 Relevant initiatives have been identified. However, please provide specific coordination structure. How will lessons learnt from these initiatives be incorporated in project design and implementation? Jan 02, 2012 (IZ): Additional information/clarification was provided in the revised PIF. Cleared.	
	20. Is the project implementation/ execution arrangement adequate?	09 Dec 2011 Not fully, please address question #19 on coordination with relevant initiatives. Jan 02, 2012 (IZ): Additional information/clarification was provided in the revised PIF. Cleared.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
	23. Is funding level for project management cost appropriate?	09 Dec 2011 Yes, project management cost is 8.7 %	

Project Financing			
	<p>24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>09 Dec 2011 Yes, but the co-financing is low given the range of activities that the project plans to implement. Specifically, tourism development and financial sustainability aspects would require higher investments on cofinancing side. In addition, please address the following technical inconsistencies: -FASF and Finance Overview GEF Project Grants differ -FASF and Project Framework GEF Project Grants differ - FASF and Project Framework total cofinance amounts differ -PIF FASF and Finance Overview total cofinance amounts differ - The sum of the cofinance as given per source differs from FASF's total cofinance</p> <p>Jan 02, 2012 (IZ): Additional co-financing was provided in the revised PIF. Cleared.</p>	
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>09 Dec 2011 Indicative cofinancing amount from the government has been provided. The cofinancing ratio is 1: 3.4. Considering Azerbaijan's increasing investments in environmental management, and the level of donor involvement in the country, please explore possible ways to increase co-financing ratio to at least 1:5.</p> <p>Jan 02, 2012 (IZ): Additional co-financing was provided in</p>	

	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	09 Dec 2011 Yes, UNDP is contributing \$1500 in cash as cofinancing.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	09 Dec 2011 Not yet, please revise in line with comments in the review sheet. Jan 02, 2012 (IZ): Not yet, please revise in line with remaining comments above. Jan 18, 2012 (IZ): All comments were addressed. The PM recommends the PIF clearance.	
	31. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*		

	Additional review (as necessary)		
	Additional review (as necessary)		
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	<p>08 Mar 2012 Yes, the PPG will support implementation of a well-structured set of activities necessary to fill in the existing knowledge gaps identified at the PIF stage. However, it is not clear if any consultations will take place as part of PPG, which is key to ensure that all relevant stakeholders are properly consulted on the development of project implementation strategy as well as M&E structure from early stages of project design. Please clarify. In addition, specific activities listed under Activity 4 follow the exact format of the GEF CEO endorsement document. Please revise to make the language more distinct from the requirements in the endorsement document as per GEF guidelines PPGs are allocated for covering necessary information needs during project preparation and not writing the endorsement document.</p> <p>Mar 26 2012 Stakeholder consultations have been incorporated in project design. The language in Activity 4 has been revised in line with comments above. Addressed.</p>
	2. Is itemized budget justified?	<p>08 Mar 2012 Yes, the budget is justified. Project proponents will provide adequate cofinancing for each PP activity. The GEF to cofinancing ratio of the PPG is 1:3.</p>
Secretariat Recommendation	3. Is PPG approval being recommended?	<p>08 Mar 2012 The PPG request proposal can not be recommended yet. Please revise the proposal based on PM's comments in question #1.</p>
	4. Other comments	
Review Date (s)	First review*	March 08, 2012
	Additional review (as necessary)	March 26, 2012

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