

AZERBAIJAN

RURAL ENVIRONMENT PROJECT

PROJECT DOCUMENT

EUROPE AND CENTRAL ASIA

ECSSD

<p>Date: April 29, 2005 Country Director: D-M Dowsett-Coirolo Sector Manager/Director: Laura Tuck Project ID: P066199 Lending Instrument: Specific Investment Loan</p>	<p>Team Leader: Agnes I. Kiss Sectors: General agriculture, fishing and forestry sector (50%);Forestry (20%);Animal production (10%);Crops (10%);Renewable energy (10%) Themes: Biodiversity (P);Other environment and natural resources management (P);Environmental policies and institutions (S);Rural non-farm income generation (S);Small and medium enterprise support (S) Environmental screening category: Partial Assessment Safeguard screening category: Limited impact</p>		
<p>Global Supplemental ID: P077031 Lending Instrument: Specific Investment Loan Focal Area: B-Biodiversity Supplement Fully Blended?: Yes</p>	<p>Team Leader: Agnes I. Kiss Sectors: General agriculture, fishing and forestry sector (50%);Forestry (20%);Animal production (10%);Crops Themes: Biodiversity (P);Other environment and natural resources management (P);Environmental policies and i</p>		
Project Financing Data			
<p><input type="checkbox"/> Loan <input checked="" type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input checked="" type="checkbox"/> Other: PHRD</p> <p>For Loans/Credits/Others: Total Bank financing (US\$m.): 8.00 Proposed terms:</p>			
Financing Plan (US\$m)			
Source	Local	Foreign	Total
BORROWER/RECIPIENT	1.18	0.20	1.38
INTERNATIONAL DEVELOPMENT ASSOCIATION	6.31	1.69	8.00
GLOBAL ENVIRONMENT FACILITY	4.00	1.00	5.00
JAPAN: MINISTRY OF FINANCE - PHRD GRANTS	1.24	1.48	2.72
Total:	12.73	4.37	17.10

Borrower:

Azerbaijan Republic
Azerbaijan

Responsible Agency:

Ministry of Ecology and Natural Resources
Azerbaijan

Estimated disbursements (Bank FY/US\$m)

FY	2006	2007	2008	2009	2010	0	0	0	0
Annual	0.35	1.78	2.69	2.22	0.96	0.00	0.00	0.00	0.00
Cumulative	0.35	2.13	4.82	7.04	8.00	8.00	8.00	8.00	8.00

GEF Estimated disbursements (Bank FY/US\$m)

FY	2006	2007	2008	2009	2010	0	0	0	0
Annual	0.31	1.09	1.56	1.41	0.63	0.00	0.00	0.00	0.00
Cumulative	0.31	1.40	2.96	4.37	5.00	5.00	5.00	5.00	5.00

Project implementation period: Start January 2, 2006 End: June 30, 2009

Expected effectiveness date: January 2, 2006

Expected closing date: December 31, 2009

Does the project depart from the CAS in content or other significant respects? Yes No
Ref. PAD A.3

Does the project require any exceptions from Bank policies? Yes No
Ref. PAD D.7

Have these been approved by Bank management? Yes No

Is approval for any policy exception sought from the Board? Yes No

Does the project include any critical risks rated "substantial" or "high"? Yes No
Ref. PAD C.5

Does the project meet the Regional criteria for readiness for implementation? Yes No
Ref. PAD D.7

Project development objective *Ref. PAD B.2, Technical Annex 3*

The Project Development Objective is to improve biodiversity conservation and introduce more sustainable natural resource management and economic activities in two mountainous areas of Azerbaijan, to restore the ecological health and productivity of their natural forests and pastures

Global Environment objective *Ref. PAD B.2, Technical Annex 3*

The GO is to protect biodiversity in two globally significant biodiversity areas within the Caucasus and Zangezur mountains, and introduce and pilot an inclusive model of Protected Area management in Azerbaijan

Project description [one-sentence summary of each component] *Ref. PAD B.3.a, Technical Annex 4*

COMPONENT 1: National Parks Establishment and Management. This component will support the legal establishment of Shah Dag National Park and the expansion of Ordubad National Park, creation and strengthening of modern park management institutions and systems, and the development and implementation of park management plans.

COMPONENT 2: Community-level investment in sustainable agriculture and natural resource management. This component will assist communities living inside or immediately adjacent to the two national parks to shift their traditional agricultural and natural resource use practices towards more modern and efficient approaches that place less pressure on natural resources and natural ecosystems.

COMPONENT 3: Rural Enterprise Development. This component aims to stimulate economic diversification in the areas by assisting local entrepreneurs to obtain the technical and business information and advice and the financing they need to start or expand environmentally sustainable small and medium commercial enterprises.

COMPONENT 4: Project Management, Monitoring and Evaluation, and Communications. This component will support overall project management and monitoring, and cross-cutting activities including communications and outreach regarding project objectives; monitoring and evaluation including detailed socio-economic impact assessment and monitoring to improve targeting of project benefits; and facilitating the preparation of a cross-sectoral, multi-stakeholder tourism development plan for the greater Shah Dag area.

Which safeguard policies are triggered, if any? **Ref. PAD D.6, Technical Annex 10**
Environment Assessment (OP 4.01); Natural Habitats (OP 4.04); Involuntary Resettlement (OP 4.12); Forest (OP 4.36)

Significant, non-standard conditions, **if any**, for:

Ref. PAD C.7

Board presentation:

None

Loan/credit effectiveness:

A Project Implementation Manual, acceptable to the Bank, has been approved by the Borrower.

Covenants applicable to project implementation:

By March 31, 2006, the Borrower shall have hired Coordinators and Assistants to the Coordinators for the regional PIU offices.