



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

GEF ID:	6962		
Country/Region:	Regional (Azerbaijan, Georgia)		
Project Title:	Advancing IWRM Across the Kura River Basin through Implementation of the Transboundary Agreed Actions and National Plans		
GEF Agency:	UNDP	GEF Agency Project ID:	5325 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	International Waters
GEF-5 Focal Area/ LDCF/SCCF Objective (s):			
Anticipated Financing PPG:	\$150,000	Project Grant:	\$5,329,452
Co-financing:	\$194,881,670	Total Project Cost:	\$200,511,122
PIF Approval:	September 04, 2014	Council Approval/Expected:	October 30, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Steffen Hansen	Agency Contact Person:	Mr. Vladimir Mamaev

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	<p>22nd of January 2014 (cseverin): Yes both Azerbaijan and Georgia are eligible countries. It is noted that Armenia have dropped out of this SAP Implementation phase, whereas the country were part of the TDA/SAP formulation process. Please do explain if this will have any major impacts on the planned implementation plan for the SAP.</p> <p>18th of August 2014 (cseverin): The planned activities will according to responds matrix from UNDP have no major impact from the fact that Armenia have opted to not be part of the SAP</p>	1 May 2016(shansen): Yes both Azerbaijan and Georgia remain GEF eligible countries.

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only . Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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		implementation project. further, the planned activities and the project as a whole has been designed in a way that will allow Armenia to part take if Armenia during project implementation opts for this. 25th of August (cseverin): Addressed	
	2. Has the operational focal point endorsed the project?	18th of August 2014 (cseverin): Yes	1 May 2016(shansen): Yes
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?	18th of August 2014 (cseverin): Yes, the funds are available within the IW Focal Area Allocation, however, pleased change the IW strategy to be IW 2 and program 4, instead of the presently selected 25th of August (cseverin): Addressed	1 May 2016(shansen): Yes
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		
	• the Nagoya Protocol Investment Fund		
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives ? <i>For BD projects: Has the project</i>	18th of August 2014 (cseverin): The resubmitted proposal focuses on the Kura River. However, please note in the PIF to what extent Turkey is a regional partner in the Kura basin.	1 May 2016(shansen): Yes, the project is aligned with the IW focal area objectives 2, program 4. The project follows the SAP priorities as identified during the TDA/SAP phase, with a strong focus on building capacity of

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	<p><i>explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	<p>25th of August (cseverin): Addressed</p>	<p>both institutions and water managers through a well coordinated set of interventions. Also, the project is innovative in the sense that it enhances coordinated governance and management of surface and groundwater resources.</p>
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>18th of August 2014 (cseverin): The planned activities on the Kura River will according to responds matrix from UNDP have no major impact from the fact that Armenia have opted to not be part of the SAP implementation project.</p> <p>25th of August (cseverin): Yes</p>	<p>1 May 2016(shansen): Yes the project aligns with SAP priorities, which was developed in strong alignment with national IWRN plans in Azerbaijan and Georgia. Further, the SAP was designed to help support cross country capacity to comply with the EU WFD and the Helsinki Convention.</p>
Project Design	<p>6. 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>18th of August 2014 (cseverin): Yes</p>	<p>1 May 2016(shansen): Yes, the project delivers a satisfactory description of how the national/regional baseline projects aligns with issues as identified within the TDA analysis, including the priorities/agreed outcomes as identified in the Strategic Action plan (projects are detailed in section 2.2, 2.5, table 8 and annex 2).</p>
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>18th of August 2014 (cseverin): Capacity build during the Initial year(s) of SAP implementation will enable the countries to address the above mentioned SAP priorities and activities.</p> <p>The project still has a high portion of its funds to support capacity building (component 4 and 5, summing up to \$1.63 mio or 32% of the entire investment) but seems to be needed towards supporting implementation of the SAP identified priorities.</p>	<p>1 May 2016(shansen):</p> <p>- Please provide addition info regarding the hosting arrangements of the data protocols (which country will host etc.)?</p> <p>May 26 (shansen): addressed</p> <p>- It is key that the project help facilitate the involvement of e.g. international and regional development banks and contribute towards securing mobilization of national budgets for a</p>

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		<p>The proposed project still mentions Pilots, please be aware that this is a SAP implementation project and hence it is not about piloting and demonstrating, but full scale implementation of the SAP.</p> <p>Please include a more concrete output along the lines of a "an agreement of a data exchange protocol" instead of the softer "mechanisms for information exchange".</p> <p>To what extent is hydropower a driver in the basin, please indicate how hydropower descisions, will the project aim at assessing and potentially modify the hydropower operation to benefit the hydrological flows as well as flood protection.</p> <p>There is a lack of description of Governance in relation to the investments on the ground, please include wording to this effect.</p> <p>Conjunctive management, Private sector engagement, harmonisation of water quality standards, environmental flow methodologies, gender, SGP engagement have been addressed through more explicit explanations in the PIF.</p> <p>25th of August 2014 (cseverin):Above points addressed, but specificity on the Data sharing Exchnage Protocol is still weak, please address at time of endorsement.</p>	<p>future fully fledged SAP imp phase. Please explain if the stakeholder involvement plan, and the communication strategy, which will be developed during project inception phase, will include an engagement strategy leading to the effective dissemination of results to key financial stakeholders on both regional and national level? Also, please specify the amount of resources allocated towards the execution of the stakeholder involvement plan/communication strategy and if this amount is considered sufficient.</p> <p>May 26 (shansen): addressed</p> <p>- Please include a para in the project document (possibly under output 1.3) describing in further detail the efforts of Azerbaijan and Georgia towards developing River Basin Management Organizations.</p> <p>May 26 (shansen): addressed</p> <p>-Please include text in the project document (possibly under output 1.3) describing the institutions that are charged with the oversight and support of RBMOs and associated draft river basin management plans?</p> <p>May 26 (shansen): addressed</p>

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	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	18th of August 2014 (cseverin):Yes the GEBs have been identified and incremental reasoning applied.	1 May 2016(shansen): Yes, the Kura River system remains of high importance to Georgia and Azerbaijan, delivering water and food security, socioeconomic development, while enhancing regional cooperation. The continued and enhanced governance and management of this shared ecosystem will therefore deliver significant global environmental benefits.
	9. 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?		1 May 2016(shansen): Yes, the project includes a satisfactory description of socio-economic benefits. Gender considerations have been mainstreamed into project activities as appropriate.
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	18th of August 2014 (cseverin):Yes, the PIF includes some language. However, Please be much more specific, especially on the GENDER Activities at the time of CEO Endorsement. Please be aware that the PIF mentions indigenous people. is this infact indigenous people or local people. "Indigenous people" is a legal term with potential safeguard triggers. Please advice if this is indeed Ingenious people. 25th of August (cseverin): clarified and addressed.	1 May 2016(shansen): Yes, annex 7 contains a satisfactory stakeholder plan, which points towards the broad inclusion of e.g. CSOs - leading to enhanced capacity and empowerment at the local level.
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient	18th of August 2014 (cseverin):Yes, risks including Mitigation measures have been included.	1 May 2016(shansen): Yes, the agreed SAP puts high priority towards the mitigation of the impacts of flooding and climate change on infrastructures,

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	<p>risk mitigation measures? (e.g., measures to enhance climate resilience)</p>		<p>riparian ecosystems and communities. The implementation of IWRM plans will aim to incorporate Climate Variability and Change.</p>
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>		<p>1 May 2016(shansen): Yes, section 2.5 includes satisfactory information as to coordination efforts with current/planned national/regional projects (including GEF, EU, IFIs and bilateral donors).</p>
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>18th of August 2014 (cseverin): The proposed project will be focusing on implementing IWRM across the Kura Basin. This integrated approach is innovative in a region where integration of knowledge and disciplines traditionally have not been taking place. It is believed that IWRM will offer potential for upscaling into other neighboring countries in the basin.</p>	<p>1 May 2016(shansen):</p> <p>Sustainability: Yes, the project outcomes and outputs align with that of the priorities of the ministerial endorsed SAP, while the project has been designed to secure alignment with existing plans and commitments of Georgia and Azerbaijan and to underpin the advancement of relevant national and regional governance bodies and key development partners. Further, GEF welcome the envisioned NICCs and encourage that the project during inception engage in a close dialogue with countries towards securing representation from high level representatives from Ministry of infrastructure and finance.</p> <p>Upscaling: The project addresses the need for future upscaling of SAP implementation.</p> <p>Innovation: Yes the project displays a number of innovative features. While the IWRM approach is innovative for the region, the project also showcases</p>

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			technologies for improved water efficiency and local innovations for climate change.
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		1 May 2016(shansen): Yes
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		1 May 2016(shansen): Yes, PMC are below the 5 %. More importantly the project is well designed to enhance the cost-effectiveness of the broader national, regional and international efforts, which seek to implement the objectives of the Kura SAP. Consequently, the project will enhanced coordination and cooperation among several regional initiatives and strengthen governance arrangements and capacity, which in turn will help support on-the-ground actions and investments.
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	28th of January 2014 (cseverin): Yes, ratio between the GEF funds and the co-finance is fine	30th of April 2016 (shansen): Yes, the GEF / co-finance ratio has increased during the project preparation phase and is expected to increase further during project implementation.
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	18th of August 2014 (cseverin): Will the project be managing the Cash contributions listed in table C and to what extent will the funds be aligned with the project activities?? Further, please specify what co-financing the agency is bringing to the project. 25th of August (cseverin): Clarified.	1 May 2016(shansen): Yes, cofinancing letters matching the stated co-financing amount has been received.
	18. Is the funding level for project management cost appropriate?	22th of August (cseverin): Yes	1 May 2016(shansen): Yes

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	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	22th of August (cseverin): Yes, PPG is requested, it does not deviate from the norm.	1 May 2016(shansen): Yes, PPG activities have been reported. Please note that the balance of unspent funds can be programmed towards the listed activities up to one year after project start.
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	25th of August (cseverin): (cseverin): NA	1 May 2016(shansen): NA
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		1 May 2016(shansen): Since the project has not started implementation the IWLEARN ratings per default will be set at 0. Please resubmit the Tracking Tool adjusting the IW LEARN ratings (row 20 and 21) to 0. May 26 (shansen): addressed
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		1 May 2016(shansen): Yes
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		1 May 2016(shansen): Yes
	• Convention Secretariat?		1 May 2016(shansen): NA
	• The Council?		1 May 2016(shansen): No, responses have only been provided to Germany's comments, where's no responses have been received to the comments of Switzerland and the USA. Please incorporate and resubmit. May 26 (shansen): addressed

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	<ul style="list-style-type: none"> Other GEF Agencies? 		1 May 2016(shansen): Yes
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	18th of August 2014 (cseverin):Please address above comments and resubmit 25th of August (cseverin): Yes PIF is being recommended	
	25. Items to consider at CEO endorsement/approval.	At time of CEO Endorsement, please make sure that the project, as one of its outputs, will feature an agreement of setting up a data exchange protocol between the participating nations.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		1 May 2016(shansen): Please address the above comments and resubmit. May 26 (shansen): Yes, all comments have been addressed and the program manager recommends the project for CEO endorsement.
	First review*		
Review Date (s)	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.**