



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Kura II: Advancing IWRM across the Kura river basin through implementation of the transboundary agreed actions and national plans			
Country(ies):	Azerbaijan and Georgia	GEF Project ID: ¹	6962
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5325
Other Executing Partner(s):	UNDP	Submission Date:	2016-04-14
GEF Focal Area (s):	International Waters	Project Duration (Months)	48
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program	N/A	Agency Fee (\$)	506,298

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
IW-2 Program ⁴ (select) (select)	Water/Food/Energy/Ecosystem Security Nexus	GEFTF	5,329,452	194,881,670
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
Total project costs			5,329,452	194,881,670

B. PROJECT DESCRIPTION SUMMARY

Project Objective: Integrated water resources management in the Kura river basin to address water-energy-food-ecosystem security nexus with integrated flow management through the implementation of agreed actions in the SAP.						
Project Components/Programs	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1: Establishment of effective cross sectoral IWRM governance protocols at the local, national and transboundary levels in the Kura Basin	TA	Regional, national and local legal, policy and regulations harmonized within the Kura basin for strengthened IWRM implementation, including harmonized intersectoral coordination with environment,	1.1 Updated regulations for environmental flow calculation methodology 1.2 Improved water flow management regulatory strategies 1.3 Institutional support for River Basin Management Organization (RBMOs) and local authorities	GEFTF	617,109	29,520,000

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#).

³ Financing type can be either investment or technical assistance.

		agriculture, energy, municipal water and industrial sectors	1.4 Pollution abatement plans developed with key stakeholders 1.5 Support to intersectoral water policy coordination and harmonization at the national and transboundary levels 1.6 Public Private Partnership to foster sustainable national and regional integrated water resources management through use of green technologies			
2: Strengthening national capacities to implement multi-sectoral IWRM in the Kura basin	(select)	Enhanced capacity for sectoral ministries and agencies to successfully harmonize and implement national IWRM Plans	2.1 Capacity building training programs for IWRM professionals for different target groups 2.2 Enhanced capacity for institutions to implement river basin management plans 2.3 Strengthen capacity for enforcement of water resources protection laws and regulations 2.4 Strengthened capacity for information management, data analysis for enhanced IWRM decision-making support	GEFTF	1,239,830	50,900,000
3: Stress reduction in critical areas and pre-feasibility studies to identify investment opportunities for improving river system health	(select)	Stress reduction in critical areas, and pre-feasibility studies in support of investment opportunities to improve river system health	3.1 Showcase technologies to reduce factual water losses in different sectors 3.2 Conduct pre-feasibility studies for select projects identified in pollution abatement plans 3.3 River restoration projects for improved ecosystem health using integrated flow management	GEFTF	1,652,167	44,580,000
4: Targeted education and involvement projects to empower stakeholders in implementing local /	(select)	Stakeholder Education with academic, civil society, private sector, and local communities to gain experiences to	4.1 A team of diverse professional IWRM trainers to work with stakeholders 4.2 Annual academic	GEFTF	751,290	13,101,670

national / regional actions in support of SAP implementation		increase their involvement in national and regional IWRM applications and innovations	IWRM conferences 4.3 Empowering social marketing campaigns to improve impacted stakeholders understanding of their role in water management 4.4. Local competitions and regional showcasing of local stakeholder innovations for climate change adaptation related to water 4.5 Project information and experiences shared through the coordinating offices, contributing to GEF International Waters Learning Exchange & Resource Network (IW:LEARN) activities supported			
5: Enhancing science for governance by strengthening monitoring, information management and data analysis systems for IWRM	(select)	Azerbaijan and Georgia using integrated monitoring, and information management systems for sustainable IWRM at national and transboundary levels	5.1 Improved assessment of geographic distribution of ground and surface water availability and seasonal fluctuations 5.2 An assessment of the economic and social benefits per unit of water used in different sectors 5.3 Staged river system ecological assessment programs 5.4 Protocols in place to support data and information exchange, for sound IWRM decision-making at national and transboundary levels	GEFTF	815,273	56,480,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Subtotal					5,075,669	194,581,670
Project Management Cost (PMC) ⁴				(select)	253,783	300,000
Total project costs					5,329,452	194,881,67

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

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C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	Ministry of Ecology and Natural Resources Azerbaijan Republic	In-kind	770,000
Recipient Government	Ministry of Enviroment and Natural Resource Protection, Georgia	In-kind	770,000
Donor Agency	World Bank - Georgia Irrigation and Land Development Project	In-kind	45,650,000
Private Sector	Azerbaijan Amelioration and Water Management Open Joint Stock Company	Grants	100,000,000
Private Sector	AzerSu Joint Stock Company	In-kind	44,430,000
Donor Agency	UNDP Georgia	In-kind	3,261,670
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			194,881,670

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
UNDP	GEF TF	Regional	International Waters	(select as applicable)	5,329,452	506,298	5,835,750
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total Grant Resources					5,329,452	506,298	5,835,750

a) Refer to the Fee Policy for GEF Partner Agencies

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>1 Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries:</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i>

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund) in Annex D.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter “NA” after the respective question.

A.1. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

For the baseline scenario, in line with GEF Council Comments, additional detail has been added to the regional and national water specific projects that have preceded this project as it pertains to addressing the issues within the TDA and reaching the agreed outcomes of the Ministerially Agreed SAP between Azerbaijan and Georgia developed in the previous phase of the project. These projects are detailed in Sections 2.2, 2.5, and Table 8 for regional projects and in Annex 8 for national projects.

With regards to co-financing, anticipated co-financing has been exceeded by at least \$3.5 million from the original PIF. It may be noted that the anticipated co-financing commitment for cooperation from the EU has been verbally assured, as there are strong linkages with previous and planned efforts, including the EU Association Agreement for Georgia.

However, due to internal changes and shifting in both staff and organizational structure within the European Commission in Brussels, a co-financing letter has not been available. All efforts will continue to coordinate with the EU throughout project implementation, and government counterparts in both countries strongly support this.

The innovativeness, sustainability and scaling up has been further delineated within the project document - with a very strong emphasis on building sustainable capacity among both water managers and institutions within this phase of the project in line with the priorities of the SAP. The intention of this is to provide guidance to key stakeholders and sectors to develop capacity building programs through this project that can then be continued by national and regional stakeholders after the project is complete. All lessons learned, training and capacity building materials will be available in national languages, and in English to serve as possible guidance materials for other projects nationally, regionally and globally.

A.2. *Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

NA

A.3. *Stakeholders*. Identify key stakeholders and elaborate on how the key stakeholders engagement is incorporated in the preparation and implementation of the project. Do they include civil society organizations (yes /no)? and indigenous peoples (yes /no)?⁸

The stated plans for stakeholder engagement were incorporated into the Project Document design, and further supplemented by inclusion of broader stakeholder engagement in the development process. This included meetings with a wider array sectoral representatives than previously planned, more local and international civil society organizations, and broader capacity building efforts than initially envisioned. The result has been a richer and broader stakeholder inclusion strategy that will focus on capacity building for local communities involvement river basin management organization, education and academic sectors, and training and empowerment of local interested parties in water management approaches and conservation, and coordination with Water User Associations in line with several large scale irrigation projects underway in both countries. The full Stakeholder Involvement Plan is in Annex 7 of the Project Document.

A.4. *Gender Equality and Women's Empowerment*. Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men. In addition, 1) did the project conduct a gender analysis during project preparation (yes /no)?; 2) did the project incorporate a gender responsive project results framework, including sex-disaggregated indicators (yes /no)?; and 3) what is the share of women and men direct beneficiaries (women 50%, men 50%)?⁹

⁷ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving..

⁸ As per the GEF-6 Corporate Results Framework in the GEF Programming Directions and GEF-6 Gender Core Indicators in the Gender Equality Action Plan, provide information on these specific indicators on stakeholders (including civil society organization and indigenous peoples) and gender.

⁹ Same as footnote 8 above.

A Gender Mainstreaming Strategy Policy has been developed to guide the Project implementation and ensure that gender mainstreaming is included across all aspects of project implementation. See Annex 8 to the Project Document. This annex reflects the priorities and applications of the GEF-6 Gender Equality Action Plan. It emphasizes working with gender mainstreaming organizations and prioritizing gender mainstreaming throughout the project implementation at all levels to ensure optimal inclusion, equity, and long term sustainability.

A.5 Risk. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Risks are detailed in the Risk and Mitigation section 2.8, and in Annex 2 UNDP Risk Matrix. The primary risk is economic instability due to shifts in oil prices which has occurred during the PPG phase. The result has been a decline in the state budgets of both Azerbaijan and Georgia, and economic reverberations throughout the region. The dedication to water resources management has continued at the national and regional level and an appreciation for the increase in the need for intersectoral cooperation has resulted.

A.6. Institutional Arrangement and Coordination. Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

No changes since PIF approval.

Additional Information not well elaborated at PIF Stage:

A.7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

There are significant socio-economic benefits delivered by the project at local, national and regional levels. The social and economic valuation of the services provided by water resources are largely unrecognized within the region, and economic valuation of ecosystem services is nascent in the theory within the region. This project has multiple interlinked initiatives to address this deficiency and to provide stakeholders with tools to understand, appreciate and conserve water resources.

This includes the following outputs: 1.1 Updated regulations for environmental flow calculation methodology, Output 1.2 Improved protocols water flow management regulatory strategies, 1.5 Support to intersectoral water policy coordination and harmonization at the national and transboundary levels. These ensure all sectors of society and the economy have reliable flows and benefit from environmental services. Additional outputs that will have socio-economic benefits include: 1.6 Public Private Partnership to foster sustainable national and regional integrated water resources management through use of green technologies.

Capacity building efforts for professional water managers will improve the understanding and coordination between and across sectors, therefore increasing the rational use of water resources for optimal sustainable development. These include outputs: 2.1 Capacity building training programs for IWRM professionals for different target groups, 2.2 Enhanced capacity for institutions to implement river basin management plans, 2.3 Strengthen capacity for enforcement of water resources laws and regulations, and 2.4 Strengthened capacity information management, data analysis for enhanced IWRM decision-making support. Socio-economic benefits of the project will also be critical as water resources become increasingly scarce due to climate change.

As a result the output 3.1 Showcase technologies to reduce factual water losses in different sectors will provide cost effective water conservation strategies that will benefit local communities, and further protect vulnerable water resources.

At the local levels, the stakeholder engagement and stakeholder awareness raising of the value of water resources, and approaches to conserve those are included in outputs: 4.1 A team of diverse professional IWRM trainers to work with stakeholders, and 4.3 Empowering social marketing campaigns to improve impacted stakeholders understanding of their role in water management, and 4.4. Local competitions and regional showcasing of local stakeholder innovations for climate change adaptation related to water. These will focus on empowering stakeholders at all levels to take an active role in protection of water resources to conserve water and increase the benefits of the ecosystem services.

In order to more fully appreciate the social and economic value of water resources, the efforts of Component 5: Enhancing science for governance by strengthening monitoring, information management and data analysis systems for

IWRM includes the following outputs: 5.1 Improved assessment of geographic distribution of ground and surface water availability and seasonal fluctuations to clearly understand where these resources are located and what their actual characteristics are; and 5.2 An assessment of the economic and social benefits per unit of water used in different sectors.

The collection of information, awareness raising, capacity building and empowerment, showcasing of solutions, and strengthening of regulations for water management will provide critical social and economic benefits at local, national, and regional levels. These efforts can also be upscaled and transferred to other regions as well to extend these benefits to arid regions facing sustainable development challenges in the face of climate change. These benefits are further expanded in section 2.1.3 of the Project Document.

A.8 Knowledge Management. Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

Knowledge management for improved IWRM is key to the design and development of the Kura II Project. The Project Stakeholders specifically requested a strong international presence of experienced consultants to guide the development and implementation of IWRM in line with the EU WFD and other international best practices. This is incorporated across all components and outputs of the project and will be guided by a long term International Senior Capacity Building consultant. It is anticipated that top international consultants with applied experience will be recruited in the following areas: Ecology, hydrology, international environmental law, water nexus approaches, water use efficiency, water quality management, environmental economics, gender mainstreaming, the EU WFD implementation, climate change adaptation, pollution abatement strategies, international river basin management expert, environmental regulation compliance and enforcement expert, water resource planning expert, municipal water management, irrigation, media and communications, water resources modelling, and socio-economics. Similar national consultants will be hired also, as available to provide direction and support to the development of regulatory protocols and framework, capacity building, showcasing approaches and technologies, and developing improved science for governance approaches. For each of these, especially in line with the capacity building efforts in Component 2 and Component 4, development of locally appropriate knowledge management materials will be emphasized as outputs for all activities. For professional water managers across sectors, the materials from capacity building will be developed into on-line training curriculum that can be used towards the development of a Ministerial professional advancement certification program. In the inception phase and the first year of the project models will be collected for these that can serve as templates based on consultant recommendations. Additional awareness raising and training materials for stakeholders will be developed under component 4, with the intention of developing awareness raising and educational materials for a wide array of stakeholders from local school teachers, to Water User Associations, to women's organizations, businesses, and academics. In the previous phase of the project, the project worked with leading national universities to develop a common MSc curriculum in IWRM. Both Baku State University and Tbilisi State University have approved or are approving these and will begin recruitment of graduate students for courses beginning in autumn 2016. This project will continue to work with these programs through hosting academic conferences, and providing key trainings in high need areas. The previous phase also introduced the UNDP-GEF Kura -Aras IWRM Academy, which will continue for rising decision makers in specific topical areas. All training and curriculum materials from the previous phase are on line at www.kura-aras.org. The upcoming phase will also provide this, with all materials made available in local languages to ensure wide spread use for all local and national stakeholders.

Throughout the project implementation, all materials and experiences will be documented, shared on line and assessed for further use by stakeholders beyond the Kura basin. This will be done through CAP-NET, IW:LEARN, UNECE and other partner organizations. Experience notes on lessons learned will be drafted to be shared with practitioners through on-line forums, social media platforms and other internet and in person based knowledge and experience exchanges. It should be noted that the capacity building approach of this project was shared with the wider water management community during the World Water Week in Stockholm 2015.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.:


This Project aligns specifically with the National Action Plans/ National IWRM Plan and SAP developed under the previous phase of the project. These are more fully expanded upon in sections 1.3.3, and in the SAP in Annex 1.

C. DESCRIBE THE BUDGETED M & E PLAN: Please refer to section 6, pages 126-130 of the project document.

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹⁰ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Ms. Adriana Dinu UNDP-GEF Executive Coordinator		14 April 2016	Mr. Vladimir Mamaev Regional Technical Advisor		vladimir.mamaev@undp.org

¹⁰ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF
GEF6 CEO Endorsement /Approval Template-Dec2015

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).
PRF on Page 100 - Page 116 in Project Document

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

GEF REVIEW:

COMMENT 7: Above points addressed, but specificity on the Data sharing Exchange Protocol is still weak, please address at time of endorsement.

Response:

In line with the GEF IW Comments on the PIF the Project Document specifically addresses data sharing exchange protocols through multiple output. These are cross cutting to support the main Output 5.4 Protocols in place to support data and information exchange, for sound IWRM decision-making at national and transboundary levels. This output is indicative that both Azerbaijan and Georgia recognize the importance of data and information exchange including water quantity and water quality within and between sectors for sound IWRM decision making at the national and transboundary levels. It is also a top regional priority to meet commitments regarding bilateral exchanges of information in line with modern water management practices including the EU WFD. This output will facilitate that effort in order to improve cooperation and reduce confusion over transboundary concerns for water management. The UNECE Bilateral Agreement for the Kura River places high importance on data and information exchange between countries in line with the Helsinki Convention. This output supports the countries to prepare to meet their commitments to the protocols for this, as well as to the Helsinki Convention Protocol on Water and Health, to which both countries are party. At the request of the countries, this will also support the initial development of a transboundary working group of hydrologists and hydrogeologists to support coordinated conjunctive use of shared ground and surface water resources. The harmonization of data and information collection, analysis and exchange will enable both countries to communicate findings and share results for improved transboundary water management. This closely aligns with the best practices in international transboundary water management and the successful implementation of the EU WFD.

Additional outputs that support this include those within Component 5: Enhancing science for governance by strengthening monitoring, information management and data analysis systems for IWRM

5.1 Improved assessment of geographic distribution of ground and surface water availability and seasonal fluctuations

5.2 An assessment of the economic and social benefits per unit of water used in different sectors

5.3 Staged river system ecological assessment programs

These outputs in Component 5 will stress the importance of employing international best practices in developing science for governance mechanisms, and approaches. Through harmonizing these approaches between the countries the application of the Protocols will be more fully supported and accepted by both governments, and will further foster data exchange for improved water resources management.

The outputs within Component 2: Strengthening national capacities to implement multi-sectoral IWRM in the Kura basin – will develop the capacity of key stakeholders and water managers in both Azerbaijan and Georgia and stress sustainability of the capacity building efforts. These outputs are:

2.1 Capacity building training programs for IWRM professionals for different target groups

2.2 Enhanced capacity for institutions to implement river basin management plans

2.3 Strengthen capacity for enforcement of water resources protection laws and regulations

2.4 Strengthened capacity for information management, data analysis for enhanced IWRM decision-making support

These will enable the countries to develop concurrent approaches to data collection and analysis, while also developing capacity at the same time, together with the same approaches. This will facilitate the implementation of datasharing as the approaches to data gathering, analysis, and application will be common and shared.

The outputs within Component 1: 1: Establishment of effective cross sectoral IWRM governance protocols at the local, national and transboundary levels in the Kura Basin also will support the implementation and application of data exchange protocols through the support for nested institutions. This will enable the local, national and transboundary

institutions to work together, and build upon the strength of each level. This will be especially important with the following outputs:

1.3 Institutional support for River Basin Management Organization (RBMOs) and local authorities (in line with the EU WFD)

1.5 Support to intersectoral water policy coordination and harmonization at the national and transboundary levels

1.6 Public Private Partnership to foster sustainable national and regional integrated water resources management through use of green technologies.

During the PPG development, this integrated approach was strongly supported by the national governments and stakeholders across multiple sectors in both countries. During the PPG Regional Stakeholder Meeting multisectoral stakeholder meetings were held in preparation for these protocols to very positive responses from all stakeholders involved.

COMMENT: 10. Re Gender: 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.

Response:

Throughout the Project Document Development/PPG an emphasis was placed on gender inclusion and gender mainstreaming. This cross cutting issue has been addressed within the project document activities, specifically emphasizing gender mainstreaming. In addition the Project Document includes a Gender Mainstreaming Policy (Annex 8) based on cross cutting application of gender mainstreaming and emphasizing the benefits of this for sustainable project implementation. Please refer to Annex 8.

COMMENT: 25. 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.

Response:

As noted above this has been included in Output 5.4 Protocols in place to support data and information exchange, for sound IWRM decision-making at national and transboundary levels, and detailed above. This has been strongly supported by all project stakeholders across the region, with initial efforts already initiated in the PPG phase at the request of the government stakeholders.

The UNECE Helsinki Convention has not yet been signed/ratified by Georgia, and while it is anticipated that this will occur during the implementation of this project, the countries have asked us to prepare the project document in such a way that even if this does not occur and the bilateral agreement between Azerbaijan and Georgia is not signed by both parties, the output of this project will enable both countries to move forward on this important initiative

STAP COMMENTS:

COMMENT: STAP acknowledges that on scientific and technical grounds the concept has merit. The proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.

Response:

Thank you.

A brief consultation was held with STAP member Jakob Granit regarding the use of “Water Nexus” terminology in the Project Document – and it was agreed that Integrated Flow Management would be used instead, due to stakeholder concerns regarding translation issues with the term “Water Nexus”.

GEF COUNCIL – GERMANY:

COMMENT: The link between the findings from the Transboundary Diagnostic Analysis (TDA) (and the trends analysis) in the foundational phase and the activities planned for this phase regarding the response to identified challenges (especially uncoordinated water use) is not entirely clear from the PIF.

Response:

During the TDA development, and in conducting the Trend Analysis it was recognized that there were significant gaps in hydrological data at the national and well as regional levels. This included non-comparable water quality data, hydrological data for ground and surface water that had significant gaps due to gaps in historical records and lack of digitized information. There is also significant gaps in information for water ecosystem indicators. These were all highlighted within the TDA. The Trend Analysis noted that given the available information on hydrology, combined with insulated sectoral development plans, the likelihood of increased water stress due to management in the business as usual scenario would have significant negative impacts for the basin. The outcomes and outputs, as well as many activities of this Project seek to fill those gaps as much as possible for sub basins and the wider basin of the Kura River. The linkage between these gaps, and the clear and strong desire to address these gaps in both Georgia and Azerbaijan are found within the Ministerially agreed Strategic Action Plan (SAP) in Annex 1. The SAP was built on the foundation of the TDA and National Action Plans/National IWRM Plans for Azerbaijan and Georgia, both which stress the critical importance of national and transboundary, multisectoral integrated water resources management.

COMMENT: The PIF also refers to the Alazani – Gahnikh nexus assessment done by the UNECE Water Convention and highlights its importance for the entire basin. It would be helpful to make clear how these findings from the assessment could contribute to and can be used for the project, in particular to provide more detail on where, how etc.

Response:

The team charged with drafting the Project Document were involved in the UNECE Water Convention pilot for the Water Nexus in the Alazani-Gahnikh Basin. This effort was a preliminary approach to bring together multiple water dependent sectors in Azerbaijan and Georgia to trial a nascent methodological approach to applying the water nexus. The effort involved stakeholders from hydropower, agriculture, municipal and environment for both Azerbaijan and Georgia. The potential benefits of using a strongly integrated approach were introduced to the participants. This resulted in a strong interest among participants and all indicated a willingness to participate in integrated approaches. Many of the participants were high level and meeting one another for the first time. The workshop enabled these stakeholders to initiate relationships that have continued since. Further, during the Project Document development process, when over 65 stakeholders were interviewed they strongly supported the future and ongoing integrative efforts between sectors and countries, including strengthening of data collection and data sharing between sectors and countries.

They have expressed a need to build capacity between and within sectors to enable more effective use of water nexus/integrated water and flow management approaches. The particular methodology applied during the UNECE Water Convention Pilot and resulting report fell short of expectations of key project stakeholders. However, the initial enthusiasm for the integrative approach remains. As a result a wider more effective integrated flow management approach based on building capacity for information management and data analysis has been employed across this project document. The benefit of the UNECE Water Nexus Pilot has been to facilitate introductions among stakeholders and raise awareness of the need to integrate flow management. As a result there is a strong multi-stakeholder support for substantial capacity building in order to more fully realize the potential needed to face the challenges of climate change and water management.

This is reflected across the components and specifically in:

Component 1: Establishment of effective cross sectoral IWRM governance protocols at the local, national and transboundary levels in the Kura Basin

1.1 Updated regulations for environmental flow calculation methodology

Output 1.2 Improved protocols water flow management regulatory strategies

1.5 Support to intersectoral water policy coordination and harmonization at the national and transboundary levels

Component 2: Strengthening national capacities to implement multi-sectoral IWRM in the Kura basin

2.1 Capacity building training programs for IWRM professionals for different target groups

2.4 Strengthened capacity information management, data analysis for enhanced IWRM decision-making support

Component 5: Enhancing science for governance by strengthening monitoring, information management and data analysis systems for IWRM

5.1 Improved assessment of geographic distribution of ground and surface water availability and seasonal fluctuations

5.2 An assessment of the economic and social benefits per unit of water used in different sectors

5.4 Protocols in place to support data and information exchange, for sound IWRM decision-making at national and transboundary levels.

COMMENT: In the list of baseline projects, it would also be helpful to differentiate more clearly between projects supported by bi- and multilateral donors and broader legal and institutional cooperation frameworks (e.g. UNECE Protocol on Water and Health). It would then be clearer how the proposed project contributes, in particular, to the latter. Moreover, it is also recommended to clearly outline how donor coordination and cooperation between different projects could work. Close collaboration between these projects should be ensured.

Response:

UNDP agrees with this comment. The regional and national projects are described in section 1.4.2 and annex 2, respectively.

The broader legal and institutional cooperation frameworks are detailed in section 1.4.2 Existing political commitments and declarations of intention. These include the EU WFD and Daughter Directives, The Strategic Action Program for Reducing Transboundary Degradation in the Kura Basin (SAP), and the Helsinki Convention on the Protection and Use of Transboundary Watercourses and International Lakes, and wider environmental and regional agreements and institutions between the countries. The SAP was specifically designed to support the countries to meet their commitments to the EU WFD and the Helsinki Convention. (Annex 1)

It should be noted that a critical challenge in the basin is building capacity sufficient to sustainably meet the commitments of international cooperation frameworks. During the development of the SAP, and national plans this was a critical aspect that key stakeholders from multiple sectors very strongly agreed upon. As a result, the design of this project involved an interlinked capacity building strategy that enables the institutional mechanisms that will ensure sustainability to be initiated through this project, and then perpetuated internally in the countries. This will decrease the long term reliance on donor funds and empower the countries to address these issues themselves. This approach is delineated in Section 2.2, and specifically in section 2.2.1 Component Linkage strategy.

During the Project Document Development, interviews with stakeholder organizations, including other donor projects were held in both countries in order to foster coordination and cooperation between projects. This included meetings with UNECE, FAO, WB, EU Brussels, UNESCO, USAID, ADB, etc. as well as many water dependent Ministries, and the private sector. There was strong consensus for the need to coordinate with the UNDP-GEF Project, and it has been agreed that in the Inception Phase of the project, specific coordination activities will be finalized. Due to uncertainty in timing of international projects, it is difficult to finalize these linkages, however, there is strong support on the ground for this and the UNDP-GEF IRH team is committed to doing this.

The anticipated coordination with other related initiatives are outlined in section 2.5 with linkages for outputs and activities to other donor projects in Table 8.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹¹

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: US\$150,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Component A: Baseline Strategic Development	16,396	16,396	0
Component B: Institutional arrangements, monitoring and evaluation, with financial planning and co-financing	44,618	41,300	3,318
Component C: Stakeholders Meetings and Validation Workshops	73,076	43,804	29,272
Component D: Finalization of Project Document	15,910	2,000	13,910
Total	150,000	103,500	46,500

¹¹ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF Trust Funds or to your Agency (and/or revolving fund that will be set up)

NA