



GEF-6 FULL-SIZED PROJECT FOR ENDORSEMENT

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT INFORMATION

Project Title: Conservation and sustainable use of globally important agro-biodiversity			
Country(ies):	Azerbaijan	GEF Project ID:	6943
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5482
Other Executing Partner(s):	Ministry of Agriculture	Submission Date:	6 May 2016
		Resubmission Date:	22 June 2016
GEF Focal Area (s):	Biodiversity ; Land Degradation	Project Duration (Months)	60
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	NA	Agency fee (\$)	395,248

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
LD-1 Program 1	<u>Outcome 1.2:</u> Functionality and cover of agro-ecosystems maintained	GEFTF	1,075,384	8,000,000
BD-3 Program 7	<u>Outcome 7.1:</u> Increased genetic diversity of globally significant cultivated plants and domesticated animals that are sustainably used within production systems	GEFTF	3,085,118	12,700,000
Total project costs			4,160,502	20,700,000

B. PROJECT DESCRIPTION SUMMARY

Project Objective: Ensure the conservation and sustainable use of globally threatened crop varieties important for biodiversity, food security and sustainable land management

Project Components / Programs	Financing Type	Project Outcomes	Project Outputs ¹	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
<i>In situ</i> and <i>ex situ</i> conservation of agro-biodiversity	Inv	The state of knowledge, conservation security, and intensity and extent of use, of native crops is significantly enhanced across three rayons. This is evidenced by: - At least 5 (from a baseline of 0) agro-biodiversity hotspots, covering an area of more than 80ha, are under some form of conservation tenure and management; - At least 8 vegetable, 10 wheat/barley and 2 forage native crop varieties are being actively maintained in field genebanks (from a baseline of 0 for all	<u>Output 1.1</u> Improve the knowledge base of crop wild relatives (CWR) and local crop landraces <u>Output 1.2:</u> Establish and manage a network of conserved areas for CWRs resulting in having at least 5 agro-biodiversity hotspots under conservation regime	GEFTF	1 787 250	9,490,000

¹ Details of outputs are limited due to lack of space. However full description, with activities, linkages to outcomes, and indicators, is provided in the project document under Section 'Project Goal, Objective, Outcomes and Outputs/activities'

		<p>varieties);</p> <ul style="list-style-type: none"> - The number of known landraces and varieties under productive crop cultivation increases from less than 400 to more than 450; - At least 0.5, 100 and 30 tons/annum of vegetable, wheat/barley and forage native crop seed respectively are available to seed producers for commercial production; and - 5 new vegetable, and 2 new forage native crop seed-producing farmers are formally registered. 	<p><u>Output 1.3:</u> Establish and maintain field gene banks for at least 20 crop landraces</p> <p><u>Output 1.4:</u> Increase the production, storage and distribution of native crop seeds resulting in higher number of landraces under cultivation</p>			
Capacity to improve agricultural productivity and reduce land degradation	Inv	<p>The improved capacities of, and more effective collaboration and cooperation between, agricultural institutions and small farmers farming native crops in the three project rayons leads to increased agricultural productivity and lower levels of land degradation. This is evidenced by:</p> <ul style="list-style-type: none"> - More sustainable crop agricultural practices being implemented in 100,000ha of croplands; - At least 1,000ha of degraded agricultural land restored to productive use through the planting of native crops; - The state funding allocation to the conservation and use of agro-biodiversity in Azerbaijan increases from a baseline of US\$30 million/annum to >US\$50 million/annum; - More than 20 full-time extension officers across the project rayons support local farmers in sustainable crop agricultural practices; - More than 20 full-time extension officers across the project rayons support local farmers in sustainable crop agricultural practices; - At least 30 state agricultural staff (professional, scientific and technical) participate in specialised agro-biodiversity training and skills development programmes; - At least 6 farmer-farmer networks are established and 	<p><u>Output 2.1:</u> Build the capacity of agricultural institutions</p> <p><u>Output 2.2:</u> Support the development of local farmer organisations through establishment of at least 6 farmer networks</p> <p><u>Output 2.3:</u> Improve the knowledge and skills of local farmers resulting in over 300 agricultural staff and farmers benefitting from training and skills development programmes</p>	GEFTF	1 212 002	8,500,000

		<p>functioning across the project rayons;</p> <ul style="list-style-type: none"> - A regional Wheat Farmers Association is constituted, operational and has a membership of at least 50 wheat/barley farmers; and - At least 280 vegetable, forage and wheat/barley farmers participate in information-sharing, training and skills development programmes in sustainable crop agricultural practices. 				
Incentives and markets to improve the uptake and commercial viability of native crops	Inv	<p>Incentives that encourage the planting of, and improve access to commercial markets for agricultural products derived from, the targeted native crop species across the three rayons are strengthened. This is evidenced by:</p> <ul style="list-style-type: none"> - The fiscal incentives framework for the adoption of native crop varieties is improved; - The area under native wheat, vegetable and forage crop production increases to at least 6%, 2% and 2% of the total area under all crop production (from less than 2%, 0.5% and 0.5%) tracked through Tracking Tool and Log-Frame indicators;² - At least 400 small farmers benefit (in terms of increase in income, access to markets, additional skills and/or additional equipment, materials and/or infrastructure) from grant funding support³ (US\$500-\$1,500/farmer or household) to native crop agriculture; - At least 10 small farmers conclude supply agreements with processors/retailers of niche high-value products derived from native crops; - At least 5 processors and retailers benefit from grant funding support for trading in niche high value products derived from 	<p><u>Output 3.1:</u> Strengthen the agricultural incentives toolbox for farmers resulting in an increase in the area under native crop production</p> <p><u>Output 3.2:</u> Improve access to markets for local farmers by helping at least 10 farmers to conclude supply agreements</p>	GEFTF	963 250	2,500,000

² Baseline figures were defined based on data provided by rayon agricultural departments and the State Statistics Committee. Targets were defined based on the discussions with native crop producers (farmers and private companies) and processors/retailers, and reflect their projections of what is realistic and achievable with the project support.

³ The small grant schemes administered under the project will be implemented in terms of the *UNDP Guidance on Micro Capital Grants (2015)*

		native crops; and - The valuation of trade in the native vegetable, forage and wheat barley crops in the project rayons increases.				
			Subtotal		3,962,502	20,490,000
			Project Management Cost (PMC)	GEFTF	198,000	210,000
			Total project costs		4,160,502	20,700,000

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 Agriculture	Grants	19,500,000
Recipient Government	Ministry of Agriculture	In-kind	1,000,000
GEF Agency	UNDP	Grants	200,000
Total Co-financing			20,700,000

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	Azerbaijan	Biodiversity	(select as applicable)	1,075,384	102,162	1,177,546
UNDP	GEF TF	Azerbaijan	Land Degradation	(select as applicable)	3,085,118	293,086	3,378,204
Total Grant Resources					4,160,502	395,248	4,555,750

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS

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>80 hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>100,000 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>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 PIF⁴

1. Project Description.

1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed

The description of the environmental and/or adaptation problems has been considerably improved. These improvements are briefly summarized as follows:

SECTION I, PART I *Situation Analysis* (‘Threats, Root Causes and Impacts’) of the UNDP PRODOC provides a more detailed description of the threats, the root causes of these threats and the impacts of these threats, on the plant genetic resources base in Azerbaijan.

SECTION I, PART I *Situation Analysis* (‘Long-term solution and barriers to the solution’) of the UNDP PRODOC describes the main barriers to the increased use of genetically diverse, locally adapted native crops as an integral part of the countries adaptation to changing environmental conditions and human needs. These are: (i) ‘Sub-optimal conservation, production, distribution and agricultural use of crop wild relatives and landraces’; (ii) ‘Weak institutional capacities to support the adoption of, and limited farmer skills and knowledge to grow, native crops’; and (iii) ‘Few incentives and mechanisms to grow native crops, and market the products derived from these native crops’. A more detailed description of each barrier, with relevant examples, is further elaborated in this section.

2) the baseline scenario or any associated baseline projects

The description of the baseline scenario and the associated baseline projects has been considerably improved. These improvements are briefly summarized as follows:

⁴ 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.

SECTION I, PART 1 *Situation Analysis* ('Context and global significance') of the UNDP PRODOC describes in more detail: the geographical context of Azerbaijan; the biodiversity significance of, and socio-economic status, of Azerbaijan; the current state of crop agriculture in Azerbaijan, the global importance of Azerbaijan's agro-biodiversity; and the institutional, policy and legislative context for the conservation and sustainable use of crop agro-biodiversity in Azerbaijan.

SECTION I, PART I *Situation Analysis* ('Baseline Analysis') of the UNDP PRODOC provides more details of the resources, capacity and financing that are committed by a range of national and international organisations – over the five year time frame of the project - to address, in part, the key barriers to the conservation and sustainable use of agrobiodiversity in Azerbaijan, with a specific focus on the baseline investments targeting native wheat, vegetable and forage crops in the three project rayons (Sheki, Goranboy and Goychay).

3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project

SECTION I, PART II *Strategy* ('Rationale and summary of the GEF alternative') of the UNDP PRODOC has been significantly improved in response to STAP and GEF Council comments. These improvements are briefly summarized as follows:

The project will be implemented in three rayons – Sheki, Goranboy and Goychay (refer to maps in Section IV, Part II of the PRODOC). Within these three rayons, the project will target selected vegetable, forage and wheat crop wild relatives (CWR), cultivated native species and cultivated landraces.

The project is organised into three components.

The first component will seek to expand the state of knowledge of agro-biodiversity, enhance the conservation of this agro-biodiversity and increase the intensity and extent of use of this agro-biodiversity in the agricultural sector. Work under this component will be focused around four key areas of project support across the three rayons (focused on the targeted crop species) as follows: (i) Improve the knowledge base of crop wild relatives (CWR) and local crop landraces (Output 1.1), including ability to trace the proportion of landraces used in crop agriculture; (ii) Establish and manage a network of conserved areas for CWRs (Output 1.2); (iii) Establish and maintain field gene banks for crop landraces (Output 1.3); and (iv) Increase the production, storage and distribution of native crop seeds (Output 1.4).

The second component will seek to build the capacities of, and improve the collaboration and cooperation between, agricultural institutions and small farmers in order to improve agricultural productivity and reduce land degradation using native crops (i.e. the targeted crop species) in the three project rayons. Work under this component will be focused around three key areas of project support: (i) Build the capacity of agricultural institutions (Output 2.1); (ii) Support the development of local farmer organisations (Output 2.2); and (iii) Improve the knowledge and skills of local farmers (Output 2.3).

The third component will seek to strengthen incentives that encourage the planting of, and improve access to commercial markets for agricultural products derived from, the targeted native crop species across the three rayons. Work under this component will be focused around two key areas of project support: (i) Strengthen the agricultural incentives toolbox for farmers (Output 3.1); and (ii) Improve access to markets for local farmers (Output 3.2).

SECTION I, PART II *Strategy* (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the full suite of project outcomes, outputs, activities and the implementation arrangements for the activities.

The table below summarises the changes made, and the rationale for these changes, to the components and outputs in the PIF.

	PIF	GEF CEO ER	Rationale
Components	<i>1. In situ and ex situ conservation of genetic biodiversity</i>	1. <i>In situ</i> and <i>ex situ</i> conservation of agro-biodiversity	Slight amendment to focus component on agro-biodiversity, and not on general 'biodiversity' (much of which has no commercial value in crop agriculture).
	<i>2. Investment in community-based intensified agricultural practices using traditional crop material</i>	2. Capacity to improve agricultural productivity and reduce land degradation using native crops	Changed in response to STAP review (see 'additional notes: Re-organization of project activities, components').
	<i>3. Enabling policy environment and setting the scene for up-scaling</i>	3. Incentives and markets to improve the uptake and commercial viability of native crops	Changed in response to STAP review (see 'additional notes: Re-organization of project activities, components'). Work during the PPG phase suggested that the enabling policy environment and institutional framework is generally sound and will already support the implementation and future up-scaling of project investments.
Component 1 (Outputs)	<i>None</i>	1.1 Improve the knowledge base of crop wild relatives (CWR) and crop landraces	Added in response to STAP review (see 'additional notes: Re-organization of project activities, components').
	<i>Establish and operate CWR mini-reserves</i>	1.2 Establish and manage a network of conserved areas for CWRs	Output remains effectively the same. The term 'mini-reserves' has however been replaced with the more common term 'conserved areas' to accommodate the possibility of larger areas of CWR hotspots under conservation management and to make provision for a range of different options to secure the conservation status of CWR hotspots.
	<i>Establish and operate native seed depository</i>	1.3 Establish and maintain field genebanks for crop landraces	Revised to align project activities with international best practices in agro-biodiversity conservation. Under this output, the field genebanks will now fulfil the multiple functions of: (i) conserving samples of a native crop species, subspecies or variety as living collections; (ii) providing a source of seeds, buds and cuttings of native crops for further culturing, breeding and improvement programmes; (iii) acting as a source of 'clean' seeds of cultivated native crops for distribution to seed producers for commercial production; and (iv) providing a site to demonstrate the cost-effectiveness of native crops to prospective farmers and seed producers.
	<i>Establish and operate seed distribution system</i>	1.4 Increase the production, storage and distribution of native crop seeds	Slight amendment to accommodate the fact that the mass production, storage and distribution of native crop seeds will be administered through registered R1 and R2 private seed farmers, and not the state agricultural institutions as originally envisaged in the PIF. This is in response to STAP and GEF

			Council comments about (as far as practicable) shifting the focus of project support from state institutions to crop farmers.
Component 2 (Outputs)	<i>Establish regional associations of small-scale farmers and Rayon Agricultural Centres.</i>	2.1 Build the capacity of agricultural institutions	The output now focuses on building the capacity of all relevant agricultural institutions involved in agrobiodiversity conservation and use in the rayons, rather than only on the Rayon Agricultural Centres (which have still yet to be fully established).
		2.2 Support the development of farmer organisations	The output has been amended to make provision for a wider range of different kind of cooperative arrangements between small-scale farmers. During the PPG, small-scale vegetable and forage farmers indicated a reluctance to establish the highly formalised, rigid 'regional associations', tending towards a preference for more informal networking arrangements.
	<i>Train farmers</i> <i>Vocational training for farmers in integrated land management and sustainable intensified agriculture using native seed materials</i> <i>Make information on value of local crop varieties widely available and easily accessible to all farmers</i>	2.3 Improve the knowledge and skills of local farmers	Slight amendment to include skills training and information-sharing activities. Moved from Component 3 and subsumed under new output. Moved from Component 3 and subsumed under new output.
Component 3 (Outputs)	<i>Develop enabling policies for subsidizing highly degraded land owners/ farmers willing to apply local agro-biodiversity material</i>	3.1 Strengthen the agricultural toolbox for farmers	Moved from Component 2 and revised to focus project support on broadening access to existing, and further development of new, agricultural incentives that promote more sustainable crop production practices in the project rayons.
	<i>Promote market access mechanisms and local brands</i>	3.2 Improve access to markets for local farmers	Output remains effectively the same.
	<i>Ensure post-project management plan and funding the Seed Depository</i>	-	Output removed. The mass production, storage and distribution of native crop seeds will be administered through registered R1 and R2 private seed farmers, and not the state agricultural institutions as originally envisaged in the PIF.

- 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF and co-financing
5) global environmental benefits (GEFTF)

SECTION I, PART II *Strategy* (‘Rationale and summary of GEF Alternative’) of the UNDP PRODOC has been significantly improved in response to STAP and GEF Council comments. These improvements are briefly summarized as follows:

Without the GEF investment in the proposed project, the *business-as-usual scenario* for the conservation and sustainable use of globally important agro-biodiversity in Azerbaijan is one in which: (i) knowledge of crop wild relatives and landraces remains incomplete; (ii) natural populations of crop wild relatives and landraces are continually being lost; (iii) valuable local varieties of agricultural crops are progressively being replaced by modern imported varieties; (iv) the genebank collections of native crop species remains incomplete; (v) the capacities of the seed testing points, seed control services and agricultural research institutes to select, develop, test, register and protect native crop varieties is still inadequate; (vi) most farmers remain unaware of the availability of local crop varieties and land races that may be better suited to, and more cost-effectively used in, crop farming operations; (vii) the effects of soil erosion, drought and salinity continue to impact the productivity of crops derived from imported seeds and genetically modified crops; and (viii) the potential to brand and promote agricultural products derived from native crops is not fully realized.

The *alternative scenario* seeks to: (i) improve the protection of viable populations of indigenous wild relatives of crops and local landraces in their natural habitats; (ii) augment the conservation of indigenous wild relatives of crops and local landraces in plant genebanks to ensure an adequate source of genetic resources for plant breeding; and (iii) increase the production, and extent of use, of local landraces in agricultural smallholdings and commercial farms.

The incremental value of the alternative scenario is summarized in the table below:

Business-as-usual	GEF alternative	Benefits
<i>In situ conservation and use of agricultural crop wild relatives and landraces</i>		
<ul style="list-style-type: none"> - Gaps in the knowledge of natural populations of crop wild relatives and landraces, and the habitats in which they occur; - Continued loss of natural populations of crop wild relatives and landraces; - Limited knowledge on the potential of native crops to reduce the vulnerability of the country’s agricultural system to the effects of climate change; - Under-resourcing of field gene banks limits the extent of genebank collections of native crop species; - Valuable local varieties of agricultural crops progressively replaced by modern varieties; and - Native crop seeds and seedlings remain difficult to source. 	<ul style="list-style-type: none"> - Implement farmer interviews, field surveys, collection of <i>in situ</i> plant material and mapping of selected crop wild relatives and landraces; - Identify and prioritize agro-biodiversity ‘hotspots’ for conservation; - Establish and manage a local network of conservation areas in the high priority agro-biodiversity ‘hotspot’ areas; - Assess the role of selected native crops in mitigating the effects of land degradation and adapting to the impacts of climate change; - Establish and manage field genebanks for native wheat, vegetables and forage crops; - Establish and administer a small grant programme to incentivise registered seed producers to increase production of native wheat and barley crop seed; and - Provide technical and financial support to local farmers to establish new seed production fields for high-value, high-demand native vegetable and forage crops. 	<ul style="list-style-type: none"> - At least 5 (>80ha) CWR agro-biodiversity hotspots are under some form of conservation tenure and management; - The number of known landraces and varieties under productive crop cultivation in Azerbaijan increases from a baseline of <400 to >450; - More 8 vegetable, 10 wheat/barley, and 2 forage native crop varieties are being actively maintained in field gene banks; - By the end of the project, at least 0.5, 80 and 30 tons/annum of vegetable, wheat/barley and forage native crop seed are available to seed producers in the project rayons for commercial production; and - 5 new vegetable, and 2 new forage native crop seed-producing farmers are registered in the project rayons.
<i>Capacity of agricultural institutions and farmers to conserve and use crop wild relatives and landraces</i>		
<ul style="list-style-type: none"> - The extent of degraded areas that are 	<ul style="list-style-type: none"> - Recruit, train and equip a corps of 	<ul style="list-style-type: none"> - More sustainable crop agricultural

Business-as-usual	GEF alternative	Benefits
<p>no longer suitable for agriculture is increasing as a result of overstocking of livestock poor irrigation and drainage systems, unsustainable levels of ground water extraction, deforestation and excessive use of fertilizers, pesticides, and herbicides;</p> <ul style="list-style-type: none"> - The capacities of the seed testing points, seed control services and agricultural research institutes to select, develop, test, register and protect native crop varieties remains inadequate; - Most small farmers (>90%) remain unaware of the availability of local crop varieties and land races that may be better suited to, and more cost-effectively used in, their farming operations; - Sharing of technical information between the agricultural state institutions and local farmers on the cultivation of local crop varieties remains largely <i>ad hoc</i> and intermittent; - Limited agricultural training and skills development available for existing farmers; and - Few functional farmer networks are in place to share information on the cost-effectiveness of native crops. 	<p>agricultural extension and advisory officers in the regional Agrarian Scientific Centres;</p> <ul style="list-style-type: none"> - Design and develop accredited academic modules/short-courses; - Develop and implement a capacity development programme for scientific and technical staff in state agricultural institutions; - Maintain a database of wheat, forage and vegetable crop farmers; - Assist in the establishment and administration of a regional <i>Wheat Farmers Association</i>; - Facilitate and support the establishment and development of <i>local farmer-to-farmer networks</i> for vegetable and fodder farmers; - Develop and implement a 4-year training programme for native crop farmers; and - Develop informational, educational and communication materials for distribution to native crop farmers. 	<p>practices are being implemented in 100,000ha of croplands across the three rayons;</p> <ul style="list-style-type: none"> - At least 1,000ha of degraded agricultural land is restored to productive use through the planting of native crops; - The state funding allocation to the conservation and use of agro-biodiversity in Azerbaijan increases from a baseline of US\$30 million/annum to >US\$50 million/annum; - More than 20 full-time extension officers across the project rayons support local farmers in sustainable crop agricultural practices; - At least 30 state agricultural staff (professional, scientific and technical) participate in specialised agro-biodiversity training and skills development programmes - At least 6 farmer-farmer networks are established and functioning across the project rayons; - A regional Wheat Farmers Association is constituted, operational and has a membership of at least 50 wheat/barley farmers; - At least 280 vegetable, forage and wheat/barley farmers participate in information-sharing, training and skills development programmes in sustainable crop agricultural practices.
<p><i>Incentives to plant native crops and market local products derived from native crops</i></p>		
<ul style="list-style-type: none"> - Native crop seeds continue to be more expensive than imported seeds; - No fiscal incentives in place to encourage seed producers to produce, store and distribute seeds of native crops; - No preferential access to unsecured loans or state subsidies for farmers wanting to cultivate native crops; - Limited support from the agricultural insurance sector to incentivize the adoption of native crops that are better adapted to extreme climatic conditions; and 	<ul style="list-style-type: none"> - Assess the feasibility of, and requirements for, improving the current agricultural incentives framework; - Support the iterative improvement of the agricultural incentives framework for sustainable crop production; - Establish and manage a small grant programme for farmers planting and harvesting native crops; - Assess the economic and social viability of developing agro-tourism facilities, products and services linked to native crops; - Conduct a value chain analysis for the 	<ul style="list-style-type: none"> - The proportion of native vegetable, forage and wheat crops in the three project rayons increases from a baseline of 0.5%, 0.5% and <2% of the total crop area to >2%, >2% and >6% of the total crop area; - At least 400 small farmers in the project rayons benefit from grant funding support (US\$500-\$1,500/farmer or household) to native crop agriculture; - At least 10 small farmers conclude supply agreements with processors/retailers of niche high-

Business-as-usual	GEF alternative	Benefits
<ul style="list-style-type: none"> - Branding and promotion of environmentally-friendly agricultural products not linked to planting of native crops. 	<ul style="list-style-type: none"> native fruit, vegetable, wheat and barley crops; - Establish and manage a small grant programme for processors and retailers who are producing high-value niche products derived from native crops; - Assist local farmers to enter into supply agreements with processors and retailers of niche high-value products derived from native crops; and - Assist local farmers to meet the quality standards required by these processors and retailers of niche high-value products derived from native crops. 	<ul style="list-style-type: none"> value products derived from native crops; - At least 5 processors and retailers benefit from grant funding support for trading in niche high value products derived from native crops; - The valuation of trade in the native vegetable, forage and wheat barley crops in the project rayons increases from US\$(TBD) to US\$(TBD); and - The fiscal incentives framework for the adoption of native crop varieties is improved.

6) innovation, sustainability and potential for scaling up

SECTION I, PART II *Strategy* ('Sustainability and replicability') of the UNDP PRODOC has been updated to reflect the revision of project outputs and activities, as follows:

Project sustainability will ultimately depend on ensuring the full ownership of the project outputs and activities by the responsible mandated public institutions and securing their long-term commitment (regulatory, policy, funding and resources) to scale-up and replicate best practices in agro-biodiversity conservation and productive use beyond project completion.

Environmental sustainability will be enhanced in the project by promoting the adoption of native crops as a means of improving agricultural productivity and reducing land degradation. More specifically, the project will: (i) improve the understanding of the role of native crops in mitigating the effects of land degradation, particularly erosion and salinization; (ii) establish and manage a network of conservation areas that will more effectively conserve viable populations of wild crop relatives in their natural habitats; (iii) conserve native varieties and wild species in plant gene banks, as a vital source of plant genetic resources for future plant breeding; and (iv) assist farmers to implement more efficient water capture, tillage, fertilization and irrigation measures; and (v) increase the rate of release, and intensification of use of, genetically diverse native crops that are better adapted to changing environmental conditions and human needs.

Institutional sustainability will be promoted in the project by strengthening and expanding the capacities (i.e. staff, skills, decision-support systems, infrastructure and equipment) of the state agricultural institutions working in the project rayons (including the Genetic Resources Institute, regional Agrarian Scientific Centres, Research Institute of Farming, Research Institute of Forage, Meadows and Pastures, Research Institute of Horticulture and Subtropical Plants and Research Institute of Vegetable Production). More specifically, the project will: (i) help to develop and build a professional corps of well-trained and properly equipped agricultural extension and advisory officers who are capacitated to support farmers in the project rayons; (ii) assist in establishing and maintaining field gene banks for commercially viable native crops within the responsible research institutes; (iii) host specialist training courses for state scientific and technical staff, and actively support collaborative research projects in agro-biodiversity conservation and use; and (iv) improve the skills and resource of the MENR to more effectively conserve, natural populations of CWRs. The PMU and MoA will, during the course of project implementation, iteratively develop an institutional sustainability plan to ensure that the different project investments in building the capacity of the agricultural institutions are maintained (and scaled-up, if feasible) beyond the term of the project.

Replication of innovative and/or good practices developed by the project will be achieved through the direct replication of selected project elements and practices and methods, as well as the scaling up of experiences. The following activities have preliminarily been identified as suitable for replication and/or scaling up: (i) expansion of the network of conservation areas in agro-biodiversity ‘hotspot’ areas; (ii) establishment of further field gene banks for native crop varieties; (iii) additional research, testing and development of new drought-resistant varieties of native crops; (iv) administration of state-funded subsidies for native crop seed producers, farmers and retailers; (v) establishment and resourcing of a corps of agricultural extension and advisory officers in other rayons; (vi) increase in the productive use of native crops to mitigate the effects of land degradation; (vii) increase in the volume and proportion of native seed crops maintained in the national seed bank; (viii) further expansion of the reach of informal farmer-to-farmer networks and formal agricultural associations; and (ix) growth in the variety and value of niche products derived from native crops.

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

NA

3. *Stakeholders.*

During the project preparation stage, a stakeholder analysis was undertaken in order to identify key stakeholders and assess their prospective roles and responsibilities in the context of the proposed project. The table below lists the key stakeholder organisations; provides a brief summary of the responsibilities of each of these stakeholder organisations (specifically as it applies to PGRFA); and broadly describes the anticipated role of each of the stakeholder organisations in supporting or facilitating the implementation of project activities:

Stakeholder	Roles and Responsibilities (as applicable to PGRFA)	Proposed involvement in the Project
National Government (Ministries, Departments and Agencies)		
Presidential Administration <i>Agrarian Policy Department of the Presidential Administration</i>	Determines the state policy on PGRFA. Prepares and monitors the implementation of relevant action plans, state programmes, strategies and political decisions on PGRFA.	Will ensure the political support for the project, and ensure conformance with national policies, strategies and plans.
Cabinet of Ministers <i>Agro-industry and environmental departments of the Cabinet of Ministers</i>	Adopts legislation related to PGRFA. Prepares drafts of legislation for adoption by the Cabinet of Ministers. Oversees the implementation of relevant legislation.	Will coordinate the efforts of the different affected Ministry's in the implementation of the project. Will be represented on the project Steering Committee.
Ministry of Agriculture <i>State Commission for Testing and Protection of Selection Achievements</i> <i>Agricultural Research Center</i>	Responsible for the agricultural sector, including the protection and use of agro-biodiversity. Responsible for the testing, registration and protection of all crop seed varieties. Responsible for the selection, research and production of cereal-grain crops and the maintenance of gene banks of cultivated plants and their wild relatives.	The national implementing partner for the project. Will chair the project Steering Committee. Will directly support the implementation of all project activities. Will directly support - through the <i>Research Institute of Farming; Research Institute of Forage, Meadows and Pastures; Research Institute of Horticulture and Subtropical Plants; and Research Institute of Vegetable Production</i> - the implementation of all project activities.
Azerbaijan National Academy of Sciences	The primary state scientific and technical reesearch institution.	

Stakeholder	Roles and Responsibilities (as applicable to PGRFA)	Proposed involvement in the Project
<i>Genetic Resources Institute</i>	Responsible for the research, evaluation, inventorisation, certification, collection, introduction, restoration and reproduction of cultivated plants and their wild ancestors and rare, threatened and endangered genera and species. It hosts the National Gene Bank and is designated as the National Coordinator Institute for PGRFA.	Will support and/or facilitate the implementation of all project activities. Are a key project partner and will be represented on the project Steering Committee.
<i>The Institute of Soil Science and Agro-Chemistry</i>	Responsible for the research, evaluation, monitoring and mapping of agricultural soils (including qualification of impacts, productivity and chemistry).	Will support or directly undertake research into the contribution of native crops to mitigating the effects of land degradation.
Ministry of Ecology and Natural Resources <i>Biodiversity Protection and Development of Specially Protected Natural Areas Department</i> <i>National Monitoring Department on Environment</i>	Responsible for environmental protection at the national level, including the planning and management of agro-biodiversity, natural pastures, forests, specially protected natural areas, soil conservation and pollution. Co-ordinates the development and implementation of biodiversity conservation plans. Administers the national system of Specially Protected Natural Areas (SPNAs). Oversees the implementation of all environmental monitoring programmes in the country (atmospheric air, soil, water, geological, biodiversity).	Will provide technical and professional support in the implementation of project activities. Will be represented on the project Steering Committee. Will support the project in the establishment and management of a network of protected areas for targeted crop wild relatives. Will ensure that the monitoring of the state of crop wild relatives and landraces are aligned with, and integrated into, the national environmental monitoring system.
Ministry of Economy and Industry	Supports the development of crop agriculture through the administration of state subsidies, disbursement of soft loans and special funding.	Will facilitate access to agricultural subsidies, grants and loans for project-targeted crop farmers. Will support the development and administration of fiscal incentives for farmers to plant native crops. May be represented on the project Steering Committee.
State Committee of Standardization, Metrology and Patents	Responsible for regulating technical standards, measurements, accreditation schemes, quality control management and protection of copyright (including for different agricultural crop varieties).	Will support the project in the branding and certification of agricultural produce derived from native crops.
Local government		
District Executive Authorities <i>Rural land offices of Head of District Executive Power</i>	Responsible for delivering services (e.g. education, health, culture, local infrastructure and roads, communication services, cultural facilities, and social assistance) within their territories that are outside the control of the relevant state programs.	Will facilitate and support the participation in, and direct involvement of, targeted local farmers in project activities. Representatives of the targeted rayons may be represented on the project Steering Committee.
Municipalities <i>Neighbourhood Committees</i>	Management of land use, forests, pastures and cultivated areas (within the framework of the powers granted by relevant legislation).	

Stakeholder	Roles and Responsibilities (as applicable to PGRFA)	Proposed involvement in the Project
<i>(rural villages)</i>		
Crop farmers		
Private farmer and family smallholdings	Farms the majority of agricultural crops in the country.	The primary project beneficiaries. Will be represented on the project Steering Committee
Non-government and community-based organisations		
Agro Information Center (AIC)	NGO providing technical and professional advice and support to farmers and other agricultural producers.	Will share, coordinate and collaborate with the project as and where relevant. May be contracted to implement specific project activities (e.g. capacity building, training).
Ganja Agri-Business Association (GABA)	Agricultural association providing support to farmers and other agricultural producers	May be contracted to implement specific project activities (e.g. developing local farmer networks, training, skills development, marketing, certification and marketing of organic agricultural products).
Rüzgar Environmental Association	NGO addressing environmental issues associated with unsustainable agricultural practises (e.g. soil pollution, erosion, salinisation).	Will share, coordinate and collaborate with the project as and where relevant.
Private sector		
Azertokhum LLC,	Private company operating a seed processing and cultivation plant.	May partner with the project in increasing the production of seeds of selected native crops.
Large seed producers (e.g. Garabagh takhil, Kran Co and Susanagro)	Privately owned seed growing enterprises.	
Academic institutions		
Azerbaijan State Agrarian University (ASAU)	Involved in agricultural education, extension, research, crop seed production and maintenance of field gene banks.	May partner with the project to provide specialised technical support in the implementation of targeted project activities.
Development partners		
GIZ, EU, FAO, World Bank, USAID	Development partners supporting agricultural development projects and initiatives in Azerbaijan will be important project partners. They will share, coordinate and collaborate with the project as and where relevant. May be represented on the project Steering Committee.	

4. *Gender Considerations.* Elaborate on how gender considerations were mainstreamed into the project preparation and implementation, taking into account the differences, needs, roles and priorities of men and women.

Women comprise a significant proportion (>55%) of the small farmers involved in traditional seed and crop farming across the three project rayons. The value of women farmers' knowledge and skills of agro-biodiversity is widely acknowledged in the design of project outputs and activities. The project design seeks to ensure that this knowledge is preserved, and guarantees women's rights to the continued use plant genetic resources.

The project, while limited to the three rayons in scope and impact, will actively facilitate the equitable participation of women in, and beneficitation of women from, all project-activities. The project will target the direct or indirect involvement of at least 2,000 women in project activities. Priority will be given to supporting female farmers to access agrobiodiversity subsidies and to directly benefit from technical and financial support from the projects

small grant programs (small native crop vegetable and forage seed farmers; planting and harvesting of native crops; and processing and retailing products derived from native crops. Socio-economic survey will be conducted among the target households that will include gender-specific analysis. The results of this survey will be then used to establish quotas for women farmers participating in the new agro biodiversity subsidy scheme so that they at least are on the same proportion as men. Focused consultations will be conducted with women farmers in all three rayons to tap on their knowledge for the preparation of seed collection and conservation strategies.

Project activities will also seek to ensure improved access by women farmers to agricultural extension, skills and educational support programs. A strong focus for the project will be on establishing and strengthen linkages between women farmers and state agricultural institutions to enable these institutions to better understand and focus on the priorities of women farmers. Finally, the project will encourage women farmers to take a leadership role in the development of the local farmer-to-farmer networks.

5 Risk. Elaborate on indicated risks, including climate change, potential social and environmental future 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):

Project risks and risk mitigation measures have been significantly improved. The revised risks and risk mitigation measures are described in the table below:

RISK	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
Farmers in the project rayons are reluctant to switch to planting and growing native crop varieties	HIGH	MODERATELY LIKELY	HIGH	A strong focus of the project outputs and activities is on improving the enabling conditions for the use of native crops. It is envisaged that improvements in the value chain for native crops will act as sufficient incentive for farmers to consider including native crop varieties in wheat, vegetable and forage crop fields. The enabling activities that will be supported by the project include <i>inter alia</i> : (i) improving the knowledge and awareness of the cost-benefits of planting and harvesting native crops; (ii) demonstrating the direct relationship between farming with native crops and the mitigation of the effects of land degradation; (iii) strengthening the technical skills of farmers to plant and harvest native crops; (iv) providing financial grants, technical support, equipment and infrastructure to farmers involved in planting and harvesting native crop varieties; (v) ensuring the supply of high quality seed stocks of native crops to farmers; (vi) assisting farmers to access markets and increase the income from products derived from native crops; and (vii) support the collaboration and cooperation between farmers in order to

RISK	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
				achieve economies of scale.
State agricultural institutions working in the project rayons are unable to provide adequate technical and extension support services to the increasing number of farmers farming with native crops.	MODERATE	MODERATELY LIKELY	MEDIUM	<p>The project will contribute to significantly strengthening and expanding the current capabilities of the key responsible agricultural institutions within the MoA and the ANAS – notably the Genetic Resources Institute, regional Agrarian Scientific Centres, Research Institute of Farming, Research Institute of Forage, Meadows and Pastures, Research Institute of Horticulture and Subtropical Plants and Research Institute of Vegetable Production. The project will specifically help to develop and build a professional corps of well-trained and properly equipped agricultural extension and advisory officers who are capacitated to support farmers in the project rayons. It will also assist in establishing and maintaining field gene banks for commercially viable native crops within the responsible research institutes. Further it will also improve the state of knowledge of, and enhance the access to, information on CWRs and native crop varieties. Finally it will host specialist training courses for state scientific and technical staff, and actively support collaborative research projects in agro-biodiversity conservation and use. The PMU and MoA will, during the course of project implementation, iteratively develop an institutional sustainability plan to ensure that the different project investments in building the capacity of the agricultural institutions are maintained (and scaled-up, if feasible) beyond the term of the project. Finally, the project will also seek to develop the awareness of, and build the capacity of the MENR to effectively conserve, natural populations of CWRs.</p>
An increase in demand for irrigation water in the project rayons, coupled with decreased water availability and higher temperatures, leads to substantial native crop losses.	HIGH	MODERATELY LIKELY	MEDIUM	<p>While the project will seek to encourage the adoption of drought-tolerant native crops as an adaptation measure to the increased incidence of water shortages, it will also assist farmers to implement more sustainable agricultural practices. To this end, the project will specifically assist farmers (i.e. infrastructure, equipment and technical support) to implement more efficient water capture, tillage, fertilisation and irrigation measures, including: drip irrigation; rainwater tanks; irrigation scheduling; composting and mulching; and</p>

RISK	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
				<p>conservation tillage.</p> <p>The project will further invest in improving the understanding of the role of native crops in mitigating the effects of land degradation, particularly erosion and salinization.</p> <p>The project will also support research on, and the testing and development of new (in the field genebanks) drought-resistant varieties of, native forage, wheat and vegetable crops.</p>

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

6. Institutional Arrangement and Coordination.

The project will be implemented over a period of five years.

The UNDP will monitor the implementation of the project, review progress in the realisation of the project outputs, and ensure the proper use of UNDP/GEF funds. Working in close cooperation with the Ministry of Agriculture (MoA), the UNDP CO will provide support services to the project - including procurement, contracting of service providers, human resources management and financial services - in accordance with the Letter of Agreement for the provision of support services (LOA, dated 15 February, 2010) between the Government of the Republic of Azerbaijan and the United Nations Development Program. The UNDP CO will also ensure conformance with UNDP Programme and Operational Policies and Procedures and UNDP Results-Based Management (RBM) guidelines.

The project will be nationally implemented (NIM) by the Ministry of Agriculture (MoA) with UNDP providing support services to the project - including procurement, contracting, human resources management and financial services – in accordance with the Letter of Agreement for the provision of support services (LOA) dated 15 February 2010.

The MoA, as the Implementing Partner (IP), will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) facilitating organization of project events, missions of international consultants and project trips ; (iii) facilitating access to data and information required for the project implementation; (iv) providing inputs into the project annual work-plans and reports; (v) coordinating interventions financed by GEF/UNDP with other parallel interventions; (v); and (vi) coordinating and liaising with central and local authorities involved in the project implementation. It will also be directly responsible for creating the enabling conditions for implementation of all project activities. The MoA will work in close cooperation with the Ministry of Ecology and Natural Resources (MENR). The MoA will coordinate all project activities at the local level, in close collaboration with the Executive Authorities in each of the targeted rayons. The MoA will designate a senior staff member to act as a Project Director (PD). The PD will provide the strategic oversight and guidance to project implementation and will chair the meetings of the Steering Committee.

The day-to-day management of the project will be carried out by a full-time Project Coordinator (PC), with the administrative and financial support of a Project Financial Assistant (PFA). The development and implementation of the small grants programmes under the project will be controlled by a Project Grants Manager (PGM), while professional and technical support to the project will be provided by an Agricultural Scientist (AS). Collectively the PC, PFA, PGM and AS will comprise the Project Management Unit (PMU).

The PC has the authority to administer the project on a day-to-day basis on behalf of the MoA and UNDP, within the constraints laid down by the Steering Committee (SC). The PC's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The PC will liaise and work closely with all partner institutions to link the project with complementary national programs and initiatives. The PC is accountable to the PD and UNDP for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds. The PA, PFA, PGM and AS will report to the PC and will provide professional, technical and administrative support to the PC, as required. The terms of reference for the PC, PFA, PGM and AS are detailed in Section IV, Part I of the UNDP PRODOC.

The PC will be technically supported by contracted national and international consultants, NGOs and companies. Recruitment of specialist support services and procurement of any equipment and materials for the project will be done by the PC, in consultation with the PD and in accordance with relevant UNDP recruitment and procurement rules and procedures. The terms of reference of the key national and international consultants to be contracted by the project are detailed in Section IV, Part I of the UNDP PRODOC.

The Genetic Resources Institute, regional Agrarian Scientific Centres, regional State Sort and Test Points, Research Institute of Forage, Meadows and Pastures, the Research Institute of Vegetable Production and the Department of Biodiversity Protection and Development of Specially Protected Natural Areas may also, in accordance with the AWP, directly implement some project activities under the direct supervision of the PC and PD.

A project Steering Committee (SC) will be constituted to serve as the executive decision making body for the project. While the final composition of the SC will be determined at the Project Inception Workshop, it may include representation from the MoA, UNDP, MENR, MEI, ANAS, SAAC, District Executive Authorities and individual farmers. The SC will ensure that the project remains on course to deliver the desired outcomes of the required quality. The SC will meet at least twice per annum (more often where required). The SC provides overall guidance and policy direction to the implementation of the project, and provides advice on appropriate strategies for project sustainability. The SC will play a critical role in project monitoring and evaluation by quality-assuring the project processes and products. It will arbitrate on any conflicts within the project, or negotiate a solution to any problems with external bodies. It will also approve the appointment and responsibilities of the Project Coordinator and any delegation of its project assurance responsibilities.

The PC will produce an Annual Work Plan (AWP) to be approved by the SC at the beginning of each year. These plans will provide the basis for allocating resources to planned project activities. Once the SC approves the AWP, this will be sent to the UNDP Regional Technical Advisor (RTA) at the GEF Regional Service Centre (RSC) in Istanbul for clearance. Once the AWP is cleared by the RSC, it will be sent to the UNDP-GEF Unit in New York for final approval and release of the funding. The PC will further produce quarterly operational reports, Annual Progress Reports (APR) and the Project Implementation Review (PIR) report for review by the SC, or any other reports at the request of the SC. These reports will summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities

This project is complementary to, and will ensure close coordination with, the GEF project *Sustainable Land and Forest Management in the Greater Caucasus landscape*. It will use, and build on, the significant foundation of community awareness and political buy-in already developed during the planning and implementation of the sustainable land and forest management project. More specifically, the lessons learnt and tools developed (e.g. legal registration procedures, association constitution, association regulations, membership application forms, etc.) during the process of establishing rayon-based pasture and forest user associations will be used to guide the establishment of the wheat farmers association and the local farmer-to-farmer networks in this project.

This project will maintain a close working relationship with the Project Management Unit of the World Bank-funded *Agricultural Competitiveness Improvement Project (ACIP)* to ensure complementarity of activities, notably in the following areas: (i) development of the agri-business value chain; (ii) seed research, plant breeding, variety

development and seed production and processing; (iii) strengthening the capacities of the state seed inspection services, seed testing commission and private seed growers; and (iv) expanding the availability of financing for agri-business/food processing enterprises.

The project will, wherever practicable, align its support to local farmers in the three project rayons with the second phase of the *Azerbaijan Rural Investment Project (AzRIP)*, particularly in respect of grant funding to rural farmers for investment in agricultural infrastructure (notably for irrigation purposes).

The project will meet on a regular basis with the project management staff of the State Agency on Agricultural Credits (SAAC) – the implementing agent for both AzRIP and ACIP – in order to identify opportunities for ongoing collaboration. To further strengthen the cooperative relationship between these projects, it is also envisaged that the SAAC will be represented on the Project Steering Committee (SC).

This project will be fully integrated with the *State Seed Fund* to ensure that it will contribute to the primary objective of the fund of producing, harvesting and storing high-yield and drought-resistant seed varieties.

7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. Do any of these benefits support the achievement of global environment benefits (for GEF Trust Fund)?

Socio-economic sustainability will be enhanced in the project by improving the value chain for native crops. More specifically, the project will: (i) improve the knowledge and awareness of the cost-benefits of planting and harvesting native crops; (ii) demonstrate the direct relationship between farming with native crops and the mitigation of the effects of land degradation; (iii) strengthen the technical skills of farmers to plant and harvest native crops; (iv) provide financial grants, technical support, equipment and infrastructure to farmers involved in planting and harvesting native crop varieties; (v) ensure the supply of high quality seed stocks of native crops to farmers; (vi) assist farmers to access markets and increase the income from products derived from native crops; and (vii) support the collaboration and cooperation between farmers in order to achieve economies of scale. It is envisaged that the incremental improvements to the value chain for native crops will act as sufficient financial incentive for farmers to consider including native crop varieties in their wheat, vegetable and forage crop fields beyond the term of the project, thereby contributing to the long-term conservation of globally significant agro-biodiversity.

Project activities will also put local women leaders at the core of implementation and will demonstrate the important role of community leadership in the successful uptake of proposed schemes and practices. Women are the major drivers behind seed selection and conservation activities; hence their participation in seed sorting, selection and conservation is crucial for the success of the project. Priority will be given to the female farmers to participate in the new agro biodiversity subsidy scheme to be created under the project. Women are expected to benefit from the new financial scheme resulting in increased income of rural households.

8. Knowledge Management. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Each project output will include the documentation of lessons learnt from implementation of activities under the output, and a collation of the tools and templates (and any other materials) developed during implementation. The Project Coordinator will ensure the collation of all the project experiences and information. This knowledge database will then be made accessible to different stakeholder groups in order to support better future decision-making processes in agro-biodiversity conservation and more consistent adoption of best practice.

Results from the project will be disseminated within and beyond the project through existing information sharing networks and forums. The project will identify and participate - as relevant and appropriate - in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The

project will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

9. Consistency with National Priorities.

The National Development Plan - *Azerbaijan Development Concept 2020 (NDC 2020): Outlook for the future* - provides the overarching framework for mainstreaming agro-biodiversity into the strategic development priorities of the country. The project will specifically contribute to addressing priority 4.2 of the NDC (*The improvement of the economic structure and the development of the non-oil sector*) by: (i) supporting the ‘production of eco-friendly agricultural and food products in the country’; (ii) implementing measures to ‘protect genetic reserves and biodiversity’; and (iii) improving ‘scientific support and staff training in the agrarian sector’.

A recent Presidential Decree outlined some key reforms to be undertaken in the agricultural sector. In response to this Decree, a new *National Strategy on Agricultural Development (2015–2020)* is currently being finalised. The project is consistent with the following priority areas of this draft national strategy: (i) implementing measures to ensure sustainable use of natural resources for agriculture purposes; (ii) capacity building of the central and local institutions to enable implementation of agricultural policy; (ii) enhancing extension services provided to farmers; and (iii) supporting independent small farmers to develop economically viable crop production (including the establishment of farmer networks and cooperatives. The project will specifically support ‘the research on cultivation and selection of diverse species of traditional plants’, the use of which ‘is in decline’, according to the National Strategy.

The project supports the achievement of Aichi Targets of the UNCBD as follows: Target 7 (By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity); and Target 13 (By 2020, the genetic diversity of cultivated plants and farmed and domesticated animals and of wild relatives, including other socio-economically as well as culturally valuable species, is maintained, and strategies have been developed and implemented for minimizing genetic erosion and safeguarding their genetic diversity).

Indicators to track progress could include: Target 7: More sustainable crop agricultural practices are being implemented in 100,000ha of croplands across the three rayons; and Target 13: At least 5 (>80ha) CWR agro-biodiversity hotspots are under some form of conservation tenure and management + The number of known landraces and varieties under productive crop cultivation in Azerbaijan increases from a baseline of <400 to >450 + More than 8 vegetable, 10 wheat/barley, and 2 forage native crop varieties are being actively maintained in field gene banks

10. M & E Plan.

The project will be monitored through the following Monitoring and Evaluation (M&E) activities.

Project start-up:

A Project Inception Workshop will be held within the first 4 months of project start with those with assigned roles in the project organization structure, the UNDP Country Office (CO) and, where appropriate/feasible, regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

The Inception Workshop should address a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO, NBBC and the UNDP-GEF Regional Service Centre (RSC) vis-à-vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making

structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again, as needed.

- b) Based on the Project Results Framework and the relevant GEF Tracking Tool, if appropriate, finalize the first Annual Work Plan (AWP). Review and agree on the indicators, targets and their means of verification, and re-check assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation requirements. The Monitoring and Evaluation (M&E) work plan and budget should be agreed and scheduled.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule project Steering Committee (SC) meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first SC meeting should be held within the first 6 months following the inception workshop.

An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Quarterly:

Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.

Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high.

Based on the information recorded in ATLAS, a Project Progress Report (PPR) can be generated in the Executive Snapshot.

Other ATLAS logs can be used to monitor issues, lessons learned etc.

Annually:

Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period. The APR/PIR combines both UNDP and GEF reporting requirements.

The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual)
- Lesson learned/good practice
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS Quarterly Progress Reports (QPR)
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

Periodic Monitoring through site visits:

UNDP CO and the UNDP-GEF RSC will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Steering Committee may also join these visits. A Field Visit Report/BTOR will be prepared by the UNDP CO and UNDP-GEF RSC and will be circulated no less than one month after the visit to the project team and Steering Committee members.

Mid-term of project cycle:

The project will undergo an independent Mid-Term Evaluation (MTE) at the mid-point of project implementation.

The MTE will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the MTE will be decided after consultation between the parties to the project document. The Terms of Reference for this MTE will be prepared by the UNDP CO, based on guidance from the UNDP-GEF RSC. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Resource Center (ERC).

The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

End of Project:

An independent Final Evaluation will take place three months prior to the final Steering Committee meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the MTE, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO, based on guidance from the UNDP-GEF RSC.

The final evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP ERC.

The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

M&E work plan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none">PCUNDP COUNDP-GEF RSC	Indicative cost: 6,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none">PC will, with support from the UNDP-GEF RSC, oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none">PCField monitors	Indicative cost: 142,000	Annually prior to ARR/PIR and to the definition of annual work plans


Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
ARR/PIR	<ul style="list-style-type: none"> ▪ PC ▪ UNDP CO ▪ UNDP RTA ▪ UNDP ERC 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ PC 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> ▪ PC ▪ UNDP CO ▪ UNDP RSC ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 37,500	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> ▪ PC ▪ UNDP CO ▪ UNDP RSC ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 37,500	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> ▪ PC ▪ UNDP CO ▪ local consultant 	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team 	0	Yearly
Visits to field sites	<ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RSC (as appropriate) ▪ Government representatives 	For GEF-supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST <i>Excluding project staff time and UNDP staff and travel expenses</i>		US\$ 223,000	

Note: Costs included in this table are part and parcel of the UNDP Total Budget and Work Plan (TBW) in the PRODOC, and not additional to it.

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies⁵ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP- GEF Executive Coordinator		June 22, 2016	Maxim Vergeichik, Regional Technical Advisor, EBD, UNDP	+42-190- 563-3046	maxim.vergeichik@undp.org

⁵ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF

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).

	Indicator	Baseline (2015)	Target/s (End of Project)	Source of verification	Risks and Assumptions
<p>Project Objective: <i>Ensure the conservation and sustainable use of globally threatened crop varieties important for biodiversity, food security and sustainable land management</i></p>	Proportion (%) of agricultural crop area of project rayons under native crops	Wheat/barley: <2% Vegetable: <0.5% Forage: <0.5%	Wheat/barley: >6% Vegetable: >2% Forage: >2%	Rayon-based agricultural crops database; State Statistics Committee agricultural database ⁶	<p>Assumptions:</p> <ul style="list-style-type: none"> – The Ministry of Agriculture, rayon executive committees and village municipalities will continue to promote and support the expansion of agricultural areas under native crop production; – Wheat, barley, vegetable and forage crop farming remain economically viable agricultural crops in the project rayons; – Crop landraces and their traditional varieties can compete with imported crop varieties as economically viable alternative crops. <p>Risks:</p> <ul style="list-style-type: none"> – Farmers in the project rayons are reluctant to switch to planting and growing native crop varieties; – State agricultural institutions working in the project rayons are unable to provide adequate technical and extension support services to farmers; and
	Estimated value (US\$/annum) of the state funding allocation to the conservation and use of agro-biodiversity in Azerbaijan	<US\$30 million/annum	>US\$50 million/annum	Audited financial reports of the MoA	
	Number of known landraces and varieties under productive crop cultivation in Azerbaijan	<400	>450	GRI - National Database	
	Extent (ha) of crop area in the project rayons under more sustainable crop agricultural practices	<10,000ha	>100,000	State Statistics Committee agricultural database Project monitoring reports	
	Extent (ha) of degraded agricultural land in the project rayons restored to productive use through the planting of native crops	N/A	>1000ha	Project monitoring reports; State Statistics Committee agricultural database	

⁶ See: <http://www.stat.gov.az/source/agriculture/indexen.php>

	Indicator	Baseline (2015)	Target/s (End of Project)	Source of verification	Risks and Assumptions
	Number of households (and number of women) directly involved in the farming of native crops.	Vegetables: 5 (1) Wheat/barley: 2 (0) Forage: 1 (0)	Vegetables: 25 (10) Wheat/barley: 17 (5) Forage: 12 (2)	Rayon-based agricultural crops database; Project monitoring reports	– An increase in demand for irrigation water in the project rayons, coupled with decreased water availability and higher temperatures, leads to substantial native crop losses.
	LD-PMAT tracking tool score (average score across 4 criteria under LD-1)	LD 1: <1.5	LD 1: >3	Project reporting on LD-PMAT Scorecard	
Outcome 1: <i>In situ and ex situ conservation of agro-biodiversity</i>	Outputs: 1.1 Improve the knowledge base of crop wild relatives (CWR) and local crop landraces 1.2 Establish and manage a network of conserved areas for CWRs 1.3 Establish and maintain field gene banks for crop landraces 1.4 Increase the production, storage and distribution of native crop seeds				
	Number and extent (ha) of CWR agro-biodiversity hotspots in the project rayons under some form of conservation tenure	0 0 ha	>5 >80 ha	Project monitoring reports; GRI - National Database	Assumptions: – The state agricultural and environmental partner institutions (GRI, research institutes, MENR) have the in-house technical expertise to implement project activities. – The rayon executive committees will actively support the conservation of the designated CWR ‘hotspots’; and – The MoA will support the formal registration of the new forage and vegetable seed farmers supported by the project. Risks: – Farmers in the project rayons are reluctant to switch to planting and growing native crop varieties; and – State agricultural institutions
	Number of the targeted native crop varieties being actively maintained in field genebanks	Vegetables: 0 Wheat/barley: 0 Forage: 0	Vegetables: >8 Wheat/barley: >10 Forage: >2	Project monitoring reports Annual reports of MoA	
	Area under each traditional crop variety (hectares) in the four targeted districts	Ag bugda; Sari bugda Qirmizi bugda; Qara bugda; Qaraqilchiq; Qara sunbul; Zogal bugda Gurgana; Xirda bugda Zarli bugda;	Increase in area for wheat/barley varieties by app. 4% Increase in area for vegetable crops by 1.5% Increase in area for forage crops by 1.5%	Field measurements	

	Indicator	Baseline (2015)	Target/s (End of Project)	Source of verification	Risks and Assumptions
		Axta bugda Kosa bugda; Altiagaj Davadishi; Ag parinj; Qirmizi parinj Ag arpa Gara Arpa Galibiyet yerli Elim; İlkin; Vatan; Zarraby; İlyas Zahra; Ganja; Byllur Sevinch; Ag chicek; Emiry Murad; Yadigar; Zumrud Kirovabadskiy mestniy; Azeri Marcan TO BE MEASURED IN YEAR 1			working in the project rayons are unable to provide adequate technical and extension support services to farmers
	Volume of the targeted native crop seed (tons/annum) made available to seed producers in the project rayons for commercial production	Vegetables: 0.1 t/yr Wheat/barley: 80 t/yr Forage: 10 t/yr	Vegetables: 0.5 t/yr Wheat/barley: 100 t/yr Forage: 30 t/yr	Project monitoring reports Annual reports of MoA	

	Indicator	Baseline (2015)	Target/s (End of Project)	Source of verification	Risks and Assumptions
	Number of new, registered native crop seed producing farmers in the project rayons	N/A	Vegetables: 5 Forage: 2	Project monitoring reports MoA registry of seed producers	
Outcome 2: <i>Capacity to improve agricultural productivity and reduce land degradation using native crops</i>	Outputs: 2.1 Build the capacity of agricultural institutions 2.2 Support the development of local farmer organisations 2.3 Improve the knowledge and skills of local farmers				
	Number of capacitated extension and advisory service officers deployed in the project rayons	5	>20	Project monitoring reports Annual reports of MoA	Assumptions: – The MoA will ensure the ongoing employment of a corps of agricultural extension staff in the project rayons; – Farmers understand the inherent value of farmer-farmer cooperation and information-sharing; and – Vegetable, forage and wheat farmers will voluntarily participate in project-funded information, training and skills development programmes. Risks: – Farmers in the project rayons are reluctant to switch to planting and growing native crop varieties; – State agricultural institutions
	Number of state agricultural staff (professional, scientific and technical) participating in project-funded training and skills development programmes	N/A	>30	Project training reports	
	Number of active farmer-farmer networks established in project rayons	0	>6	Project monitoring reports	
	Number of registered members of the regional (i.e. including the project rayons) Wheat Farmers Association	0	>50	Membership forms; Annual report of Wheat Farmers Association	

	Indicator	Baseline (2015)	Target/s (End of Project)	Source of verification	Risks and Assumptions
	Number of local farmers participating in project-funded information-sharing, training and skills development programmes	N/A	Vegetable: >150 Forage: >30 Wheat: >100	Project training reports	working in the project rayons are unable to provide adequate technical and extension support services to farmers; and – An increase in demand for irrigation water in the project rayons, coupled with decreased water availability and higher temperatures, leads to substantial native crop losses.
Outcome 3: <i>Incentives and markets to improve the uptake and commercial viability of native crops</i>	Outputs: 3.1 Strengthen the agricultural incentives toolbox for farmers 3.2 Improve access to markets for local farmers				
	Numbers of local farmers benefiting from small grants and average (US\$) value of grant/farmer	N/A N/A	>400 US\$500-US\$1500	Project monitoring reports and audited financial statements	Assumptions: – There is considerable potential for growth in the production and sale of high value products derived from native crops; – The MoA will support the marketing of organic and traditional products derived from native crops; and – Specialist traders and retailers of niche high value product recognise the value of project support in improving their effectiveness and profitability. Risks: – Farmers in the project rayons are reluctant to switch to planting and growing native crop varieties; – State agricultural institutions working in the project rayons are unable to provide adequate
	Number of new supply agreements concluded between farmers in the project rayons and processors/retailers of niche high-value products derived from native crops	0	>10	Signed supply agreements; Project monitoring reports	
	Number of processors and retailers trading in niche high value products derived from native crops, and those benefiting from project grant funding support in the project rayons	<5 0	>10 >5	Project monitoring reports and audited financial statements	

	Indicator	Baseline (2015)	Target/s (End of Project)	Source of verification	Risks and Assumptions
	Estimated valuation (US\$) of trade in the targeted native crops in the project rayons	TBD ⁷	TBD	Value chain analysis reports (at project inception, mid-term and EOP)	<p>technical and extension support services to farmers; and</p> <ul style="list-style-type: none"> – An increase in demand for irrigation water in the project rayons, coupled with decreased water availability and higher temperatures, leads to substantial native crop losses.

⁷ This amount will be estimated during the value chain analysis to be conducted under Output 3.2.

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).

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
Scientific and Technical Screening of the PIF		
<p>1. Structure and organisation of outcomes and activities <i>There are gaps o(i)n the activities need(ed) to achieve the objectives, and some re-organization of these may be useful. There is a case for reorganizing the components ... (alternative logframes are proposed).</i></p>	<p>Agreed. The suggestions proposed by the STAP were discussed in detail with all project partners and other stakeholders during the project preparation phase. An amalgam of the alternative logframes proposed by the STAP was subsequently adopted, and developed in more detail, by the PPG team. The project has been restructured to respond to the detailed comments and suggestions as follows: Component 1 <u>Output 1.1</u> Improve the knowledge base of crop wild relatives (CWR) and local crop landraces <u>Output 1.2:</u> Establish and manage a network of conserved areas for CWRs <u>Output 1.3:</u> Establish and maintain field gene banks for crop landraces <u>Output 1.4:</u> Increase the production, storage and distribution of native crop seeds. Component 2 <u>Output 2.1:</u> Build the capacity of agricultural institutions <u>Output 2.2:</u> Support the development of local farmer organisations <u>Output 2.3:</u> Improve the knowledge and skills of local farmers Component 3 <u>Output 3.1:</u> Strengthen the agricultural incentives toolbox for farmers <u>Output 3.2:</u> Improve access to markets for local farmers</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the full suite of project outcomes, outputs, activities and their implementation arrangements.</p>
<p>2. Strengthening the knowledge base for agro-biodiversity <i>The key weakness that needs to be addressed concerns documentation of the scientific, technical and practical background about the practice, effects and economics of using wild varieties compared to imported varieties. If technical and scientific information is not available to justify the adoption local crops, the project should be re-balanced to focus on ... strengthening the science, conservation and testing of local seeds ...</i></p>	<p>Agreed. A new output (Output 1.1) - <i>Improve the knowledge base of crop wild relatives and local crop landraces</i> - has been included to enhance the current state of knowledge of agro-biodiversity in Azerbaijan. This activities under this output include <i>inter alia</i>: field-based surveys and mapping; collation of traditional knowledge; assessments of the nature and extent of threats to wild populations; identification and prioritization of areas containing ‘hotspots of agro-biodiversity’); field-based and experimental research⁸ to assess the actual/potential role of native crops in mitigating the effects of land degradation (notably the effects of salinization, erosion and drought) and/or in adapting to the projected impacts of climate change (notably increase in temperature and reduction in precipitation). Output 1.3 (Establish and maintain field gene banks for crop landraces) also now includes activities which enable: the characterization, evaluation and documention</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the activities and their implementation arrangements for Outputs 1.1 and 1.3.</p>

⁸ This may include the establishment and monitoring of experimental plots in the target rayons.

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
	<p>of the efficacy of the planted materials in the field gene bank; and the collection of seeds, buds and cuttings for further culturing, breeding and improvement.</p> <p>Under Output 3.2, the project will also support the development of value chain analyses for the targeted native fruit, vegetable, wheat and barley crops in the project rayons in order to assess the major constraints to, and opportunities for, farmers planting, marketing and selling native crop varieties.</p>	
<p>3. Over-ambitious targets, unclear baselines <i>As noted elsewhere, serious consideration should be given to whether the project is over-ambitious, and whether this will increase risk by over-stretching its abilities. The PIF appears too ambitious about the speed and extend of seed adoption by farmers ...</i> <i>The table describing the baseline, GEF alternative and incremental local and global benefits is excellent. However, while the underlying logic is strong, the baselines and target numbers provided are confusing and may be over-optimistic.</i></p>	<p>Agreed.</p> <p>During the PPG phase a more objective assessment of the current baselines, and development of more pragmatic indicators and targets, was undertaken.</p>	<p>The benefits column of the table summarizing the incremental value of the alternative scenario in SECTION I, PART II <i>Strategy</i> ('Rationale and summary of GEF Alternative') of the UNDP PRODOC has been updated to reflect the revised baselines and targets.</p> <p>The <i>Strategic Results Framework</i> in SECTION II of the UNDP PRODOC has been updated to reflect the revised baselines and targets.</p>
<p>4. Management of risk – incentives for farmer adoption of native crop varieties <i>The key risks of (1) farmer adoption and (2) subsidies of local crop varieties are critical to project sustainability need to be included under risks, and also dealt with ...</i> <i>The case for the uptake of local varieties is not convincing. If local varieties are so good, it is important to know why 95% of farmers have abandoned them, and what needs to change for farmers to adopt them.</i></p>	<p>Agreed.</p> <p>The project outputs and activities have subsequently been strengthened to address this critical risk. Project activities now focus more strongly on improving the enabling conditions for the use of native crops. These enabling activities to be supported by the project include <i>inter alia</i>: (i) improving the knowledge and awareness of the cost-benefits of planting and harvesting native crops; (ii) demonstrating the direct relationship between farming with native crops and the mitigation of the effects of land degradation; (iii) strengthening the technical skills of farmers to plant and harvest native crops; (iv) providing financial grants, technical support, equipment and infrastructure to farmers involved in planting and harvesting native crop varieties; (v) ensuring the supply of high quality seed stocks of native crops to farmers; (vi) assisting farmers to access markets and increase the income from products derived from native crops; and (vii) support the collaboration and cooperation between farmers in order to achieve economies of scale.</p> <p>During the PPG phase, the project interviewed a number of independent commercial processors and retailers who have already developed, and successfully trade in, a wide range of niche high-value products derived from native crops. In discussions with these businesses, they have identified some of the key constraints to improving the quality and reliability of supply of native crops. Project activities have been developed to better understand and address many of these supply barriers.</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) more fully details the full suite of project outcomes, outputs, activities and their implementation arrangements.</p> <p>The risks table in SECTION I, PART II <i>Strategy</i> (Indicators and risks) of the UNDP PRODOC has been revised to include the following risk (and the proposed mitigation measures for): 'Farmers in the project rayons are reluctant to switch to planting and growing native crop varieties'.</p>

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
	<p>It is thus envisaged that improvements in the value chain for native crops could then act as sufficient incentive for farmers to consider including a mix of native crop varieties in their commercial wheat, vegetable and forage crop fields. Preliminary indications (based on assessments and consultations carried out during the PPG phase) suggest however that it is unlikely that the coverage of native crops, as a proportion of all agricultural crops in Azerbaijan, will (at least in the medium-term) ever exceed 10%. Based on this assumption, the project indicators and targets have also been scaled back accordingly.</p>	
<p>5. Participation of farmers <i>Given that the main target group of the project is farmers ..., the PIF also needs to carefully analyze whether a more bottom up approach is required for farmer participation, extension and adoption; the current proposal does not address how participation will occur and the structures it describes are somewhat mechanical and top down ...</i> <i>Component 2 recognizes the need for collective action and economies of scale in extension and in the uptake and marketing of wild crops. However, it is simplistic to assume that this will occur by simply establishing a Regional Association of Small Scale Farmers. As "farmers and local communities" are the "main target groups of the project" (stakeholder table, p10), the PIF should give equally strong or greater consideration to whether and how grassroots farmer learning groups need to be established as part of this process and to link a regional association to farmers so the latter is not only a political organization floating in the air.</i></p>	<p>Agreed. The project outputs and activities have been revised to reflect a ‘middle-down, bottom-up’ approach. In the <u>middle-down approach</u>, the project is focused on improving and expanding the capacities of the state agricultural institutions operating at the project rayon level (including the Genetic Resources Institute, regional Agrarian Scientific Centres, Research Institute of Farming, Research Institute of Forage, Meadows and Pastures, Research Institute of Horticulture and Subtropical Plants and Research Institute of Vegetable Production) to support commercial native crop seed producers and small farmers farming native vegetable, wheat and forage crops. More specifically, the project will: (i) help to develop and build a professional corps of well-trained and properly equipped agricultural extension and advisory officers who are capacitated to support local farmers in the project rayons; and (ii) assist in establishing and maintaining field gene banks for commercially viable native crops in the project rayons. In the <u>bottom-up approach</u>, the project is focused on strengthening the value chain for seed producers and farmers farming with native crops. More specifically, the project will: (i) improve the knowledge and awareness in farmers of the cost-benefits of planting and harvesting native crops; (ii) strengthen the technical skills of farmers to plant and harvest native crops; (iii) provide financial grants, technical support, equipment and infrastructure to farmers involved in planting and harvesting native crop varieties; (iv) ensure the supply of high quality seed stocks of native crops to farmers; (v) assist farmers to access markets and increase the income from products derived from native crops; and (vi) support the collaboration and cooperation between farmers in order to achieve economies of scale. Consultations conducted during the PPG phase indicated that the establishment of a ‘regional association of small-scale farmers’ was not feasible. The project will now rather support: (i) the establishment of a regional association of wheat growers; and (ii) facilitating the development of informal <i>local farmer-to-farmer networks</i>⁹ for vegetable and fodder farmers in the project rayons.</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) more fully details the full suite of project outcomes, outputs, activities and their implementation arrangements.</p>

⁹ Initially farmer-to-farmer networks will be established at the village level, but the spatial focus may later change in response to farmer needs.

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
<p>6. Agro-biodiversity conservation areas <i>Once the areas with viable wild crop relatives are identified and given reserve status, who will manage them, and how will this be sustained?</i> <i>Is the scale of wild relative mini-reserves too small, and should this aspect of the project be increased including long term management of these reserves?</i></p>	<p>The project will not adopt a generic approach to the establishment and management of the agrobiodiversity conservation areas.</p> <p>There are a diverse suite of existing legal and institutional mechanisms - including designation as Specially Protected Nature Area (SPNA), land use guidelines linked to zonation in territorial plans, negotiation of conservation easements, acquisition of development use rights, offsets in lieu of development use rights, registration of usufructs, etc – that could readily be adopted without the need to develop special legislative or regulatory mechanisms.</p> <p>The project will evaluate and test the efficacy of a range of the existing legal and institutional mechanisms that could be used to secure the conservation status and long-term security of the conserved populations of CWRs.</p> <p>The conservation status for, and management arrangements at, each site will (as far as practicable) be matched to the idiosyncrasies of the site. For each site, the project will support an evaluation of the most cost-effective management arrangements to ensure their ongoing operational management. The project will then support the development of an area-specific management programme that identifies key management interventions for the site, how the CWRs are to be actively monitored and how the costs of site management are to be financed. Finally, the project will then provide technical support (i.e. boundary demarcation, signage, information brochures, community awareness and establishing monitoring baselines) to the designated management authority in the implementation of the management programme.</p> <p>Wherever possible, the management of the conservation areas will be delegated to the <i>Department of Biodiversity Protection and Development of Specially Protected Natural Areas</i> in the MENR to improve the likelihood of long-term financial and technical commitment to the management of the sites.</p> <p>The current distributional data for CWRs (hosted by the GRI of the ANAS) indicates that the majority of CWRs are found concentrated in very small areas (<5ha in size) across the Caucasus ecoregion. The project will however support additional field-based surveys and mapping of the distribution of wild populations of the CWRs in order to further refine the selection of the agrobiodiversity hotspots targeted for stronger protection measures.</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the activities and their implementation arrangements for Outputs 1.1 and 1.2.</p>
<p>7. Coordination <i>This project dovetails nicely with the three partner projects that are mentioned (EU, World Bank, USAID), but the PPG needs to provide more detail about how, practically, activities will be coordinated to develop the possible synergies.</i></p>	<p>Agreed.</p> <p>During the PPG phase, the PPG team established a close working relationship with the project management staff of the State Agency on Agricultural Credits (SAAC) – the implementing agent for both the AzRIP and ACIP – to ensure complementarity of activities, notably in the following areas: (i) development of the agri-business value chain; (ii) seed research, plant breeding, variety development and seed production and processing; (iii) strengthening the capacities of the state seed inspection services, seed testing commission and private seed growers; (iv)</p>	<p>SECTION I, PART II <i>Strategy</i> (Coordination with other initiatives) of the UNDP PRODOC has been updated to describe the proposed coordination arrangements between this project and AzRIP and ACIP.</p>

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
	<p>grant funding to rural farmers for investment in agricultural infrastructure (notably for irrigation purposes) and (iv) expanding the availability of financing for agri-business/food processing enterprises. This working relationship will be maintained into the project implementation phase.</p> <p>To further strengthen the cooperative relationship between these projects, it is also envisaged that the SAAC will be represented on the Project Steering Committee (SC).</p>	
Council comments (Germany, USA and Switzerland)		
<p>8. Coordination <i>Describ(e): envisaged cooperation and coordination of relevant stakeholders for ensuring the sustainable use of agro-biodiversity in the country ...envisaged coordination and decision making procedures among the involved stakeholders during program implementation ... (linkages of) the programs activities to the Second National Biodiversity Strategy and Action Plan Take into account pilot activities in the field of agro-biodiversity in Azerbaijan conducted by the GIZ program "Sustainable Management of Biodiversity, South Caucasus" in cooperation with local NGOs (AIM, GABA, Ecosfera) and include GIZ in Coordination</i></p>	<p>See above.</p> <p>This project is complementary to, and will ensure close coordination with, the GEF project <i>Sustainable Land and Forest Management in the Greater Caucasus landscape</i> and the GIZ program <i>Sustainable Management of Biodiversity, South Caucasus</i>. It will use, and build on, the significant foundation of community awareness and political buy-in already developed during the planning and implementation of these projects. More specifically, the lessons learnt and tools developed (e.g. legal registration procedures, association constitution, association regulations, membership application forms, etc.) during the process of establishing rayon-based pasture and forest user associations will be used to guide the establishment of the wheat farmers association and the local farmer-to-farmer networks in this project. The project will be fully integrated into the current UNDP-GIZ working group on Sustainable Land and Forest Management as the PMU will be located in the same offices of the GEF <i>Sustainable Land and Forest Management in the Greater Caucasus landscape</i> project.</p> <p>The project is fully aligned with the draft version of the second NBSAP (2015-2020) and the draft <i>Development Strategy for the Agriculture Sector in the Republic of Azerbaijan for 2014-2020</i>.</p> <p>An overarching stakeholder involvement plan has been developed for the project.</p>	<p>SECTION I, PART II <i>Strategy</i> (Coordination with other initiatives) of the UNDP PRODOC has been updated. SECTION I, PART III <i>Management arrangements</i> (Project implementation arrangement) and SECTION IV, PART III <i>Stakeholder involvement plan</i> of the UNDP PRODOC more fully describes the mechanisms for stakeholder involvement in the project.</p>
<p>9. Link between native crops, land degradation and the effects of climate change <i>Land Degradation component would benefit from a stronger argumentation of technical and practical approaches (such as using WOCAT or other tools and experiences) for the adoption and spreading of farming based on local varieties by methods that improve/sustain land health.</i></p>	<p>The current state of in-country knowledge on the efficacy of native crops as a means of improving 'land health' and adapting to the effects of climate change is considered very weak. The underlying rationale for adopting specific technical approaches or using specific tools is thus not yet available.</p> <p>To address this shortcoming, the project will support implementation of the following activity:</p> <p><i>For each of the targeted CWRs and landraces - undertake field-based and experimental research¹⁰ to assess their actual/potential role in mitigating the effects of land degradation (notably the effects of salinization, erosion and drought) and/or in adapting to the projected impacts of climate change (notably increase in</i></p>	<p>SECTION I, PART I <i>Threats, root causes and impacts</i> of the UNDP PRODOC describes the vulnerability of the agricultural sector in Azerbaijan to the projected impacts of climate change.</p> <p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the</p>

¹⁰ This may include the establishment and monitoring of experimental plots in the target rayons.

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
<p><i>(Recommend that the project) (d)efine in more detail which cultivation practices are considered under the term “intensified soil protecting technologies” and to strengthen the aspect of developing diverse and sustainable farming systems also with regard to climate change adaptation.</i></p> <p><i>...it would add to the project quality if synergies with ongoing climate change projects were established and assessments in the country / region would be conducted so that the local varieties targeted by the project would be both economically viable and climate resilient.</i></p>	<p><i>temperature and reduction in precipitation).</i></p> <p>The project will contribute to implementing the recommendations contained in the World Bank report <i>Reducing the Vulnerability of Azerbaijan’s Agricultural Systems to Climate Change: Impact Assessment and Adaptation Options</i> (2014) at the agricultural rayon-level (see page 96 of the report), notably by increasing the development and adoption of more drought-tolerant native crop species.</p>	<p>activities and their implementation arrangements for Output 1.1.</p>
<p>10. Seed cleaning</p> <p><i>(Recommend that the project) Foresee the provision of seed sorting, cleaning and disinfection equipment to the farmer association to ensure a high quality of seeds</i></p>	<p>Agreed.</p> <p>Support for the procurement of seed sorting, cleaning, storage, packaging and labelling equipment has been included.</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the activities and their implementation arrangements for Output 1.4.</p>
<p>11. Economic incentives/subsidies</p> <p><i>(Recommend that the project) define in more detail the establishment of economic incentives for the sustainable use of agro-biodiversity</i></p> <p><i>The project could benefit from a further consideration of risk mitigation options or alternatives to subsidies</i></p>	<p>Azerbaijan already has a comprehensive and well-developed agricultural subsidy program that is focused on stimulating agricultural production through direct cash payments to farmers. This includes subsidies for: cultivation of important crops (40 AZN ¹¹per ha); fuel costs associated with important crop production (40 AZN per ha); cost of fertilizers (50% discount); and costs of buying seeds of important crops (50% discount).</p> <p>However, many of the small native crop farmers in the project rayons do not yet (for a variety of reasons) have ready access to these subsidies. The project thus rather focuses on: (i) supporting local farmers in addressing the barriers of access to these existing fiscal incentives; and (ii) assessing the feasibility of, and requirements for, improving the current agricultural incentives framework (including non fiscal incentives) in order to encourage the adoption of more sustainable crop production practices and the increased use of native crop varieties.</p> <p>However project activities are spatially focused on the project rayons (and the targeted native crop species within these project rayons) and not on the reform of national-level legislative, regulatory and policy tools. So, while the project will</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the activities and their implementation arrangements for Output 3.1.</p>

¹¹ 40 AZN is equivalent to ~US\$38

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
	support the MoA in the iterative improvement of the agricultural incentives framework for sustainable crop production, this is not a priority project intervention and remains the responsibility of the Ministry.	
<p>12. Baseline description <i>We think (the project) could further benefit from a solid baseline assessment if local varieties are good and reliable, it is important to assess in greater detail why and also explain why they remain largely under-used or neglected (market forces, others?)</i></p>	<p>Agreed. The project baseline assessment has, within the constraints of the current state of knowledge, been improved. As mentioned above, there is currently no research being undertaken in the country on the contribution of native crops to reducing or reversing the affects of soil erosion and salinity. The resistance of wild crop relatives and their landraces to drought events is also not well understood. Further, the potential contribution of increasing the diversity of, and area planted using, native crops in order to reduce the vulnerability of the agricultural system in Azerbaijan to the effects of climate change (notably increase in temperature) has not been rigorously assessed. A new output (Output 1.1) - <i>Improve the knowledge base of crop wild relatives and local crop landraces</i> - has thus been included to enhance the current state of knowledge of agro-biodiversity in Azerbaijan. During the PPG phase, the project also interviewed a number of independent commercial processors and retailers who have already developed, and successfully trade in, a wide range of niche high-value products derived from native crops. In discussions with these businesses, they have identified some of the key constraints to improving the quality and reliability of supply of native crops. Project activities have been developed to better understand and address many of these supply barriers. Under Output 3.2, the project will also support the development of value chain analyses for the targeted native fruit, vegetable, wheat and barley crops in the project rayons in order to assess the major constraints to, and opportunities for, farmers planting, marketing and selling native crop varieties</p>	<p>SECTION I, PART 1 <i>Situation Analysis</i> ('Context and global significance') of the UNDP PRODOC describes the agro-biodiversity context in more detail. SECTION I, PART I <i>Situation Analysis</i> ('Baseline Analysis') of the UNDP PRODOC provides more details of the resources, capacity and financing that are committed the conservation and sustainable use of agrobiodiversity.</p>
<p>13. Over-optimistic targets <i>Toning down the very optimistic targets could strengthen the project by making progress more realistic and measurable. The 70% target for local varieties by 2025 is very ambitious, it might improve the project if long-term and all intermediary targets were slightly readjusted to more achievable and also measurable/verifiable goals.</i></p>	<p>Agreed. During the PPG phase a more objective assessment of the current baselines, and development of more pragmatic indicators and targets, was undertaken.</p>	<p>The benefits column of the table summarizing the incremental value of the alternative scenario in SECTION I, PART II <i>Strategy</i> ('Rationale and summary of GEF Alternative') of the UNDP PRODOC has been updated to reflect the revised baselines and targets. The <i>Strategic Results Framework</i> in SECTION II of the UNDP PRODOC has been updated to reflect the revised baselines and targets.</p>

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
<p>14. Farmer participation <i>The overall approach needs to be rooted in farmers’ interest to participate and implement.</i> <i>...it could be helpful for the project to further explain where and how top-down and bottom-up approaches could effectively be used (in combination) in the project implementation and potential up-scaling of results.</i></p>	<p>Agreed. The project outputs and activities have been revised to reflect a ‘middle-down, bottom-up’ approach. In the <u>middle-down approach</u>, the project is focused on improving and expanding the capacities of the state agricultural institutions operating at the project rayon level (including the Genetic Resources Institute, regional Agrarian Scientific Centres, Research Institute of Farming, Research Institute of Forage, Meadows and Pastures, Research Institute of Horticulture and Subtropical Plants and Research Institute of Vegetable Production) to support commercial native crop seed producers and small farmers farming native vegetable, wheat and forage crops. More specifically, the project will: (i) help to develop and build a professional corps of well-trained and properly equipped agricultural extension and advisory officers who are capacitated to support local farmers in the project rayons; and (ii) assist in establishing and maintaining field gene banks for commercially viable native crops in the project rayons. In the <u>bottom-up approach</u>, the project is focused on strengthening the value chain for seed producers and farmers farming with native crops. More specifically, the project will: (i) improve the knowledge and awareness in farmers of the cost-benefits of planting and harvesting native crops; (ii) strengthen the technical skills of farmers to plant and harvest native crops; (iii) provide financial grants, technical support, equipment and infrastructure to farmers involved in planting and harvesting native crop varieties; (iv) ensure the supply of high quality seed stocks of native crops to farmers; (v) assist farmers to access markets and increase the income from products derived from native crops; and (vi) support the collaboration and cooperation between farmers in order to achieve economies of scale. Consultations conducted during the PPG phase indicated that the establishment of a ‘regional association of small-scale farmers’ was not feasible. The project will now rather support: (i) the establishment of a regional association of wheat growers; and (ii) facilitating the development of informal <i>local farmer-to-farmer networks</i>¹² for vegetable and fodder farmers in the project rayons.</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) more fully details the full suite of project outcomes, outputs, activities and their implementation arrangements.</p>
<p>15. Legal basis for agro-biodiversity conservation areas <i>...the project may need to show if the relevant legal and institutional base or experience is already in place in Azerbaijan for establishment of the mentioned “micro-reserves”, or if these need to be specifically created. More detail on how agro-biodiversity</i></p>	<p>There is no dedicated legal or institutional base for the conservation of agro-biodiversity, through the establishment of conservation areas for agrobiodiversity hotspots, in Azerbaijan. There are however a diverse suite of existing legal and institutional mechanisms - including designation as Specially Protected Nature Area (SPNA), land use guidelines linked to zonation in territorial plans, negotiation of conservation easements, acquisition of development use rights, offsets in lieu of development use rights, registration of usufructs, etc – that could readily be adopted without the need</p>	<p>SECTION I, PART II <i>Strategy</i> (Project Goal, Objective, Outcomes and Outputs/Activities) of the UNDP PRODOC more fully details the activities and their implementation arrangements for Outputs 1.1 and 1.2.</p>

¹² Initially farmer-to-farmer networks will be established at the village level, but the spatial focus may later change in response to farmer needs.

Comments (summary of main issues and key quotes from review sheets)	Responses	Changes made in full project
<p><i>hotspots will be defined and what they will conserve will be useful.</i></p>	<p>to develop special legislative or regulatory mechanisms.</p> <p>The project has thus been specifically developed to evaluate and test the efficacy of a range of the existing legal and institutional mechanisms that could be used to secure the conservation status and long-term security of the conserved populations of CWRs.</p> <p>The steps in defining the agrobiodiversity hotspots is technically guided by two key reports: <i>Crop Wild Relatives: A manual of in situ conservation</i> (Hunter and Heywood, 2011); and the <i>National Level Conservation of Crop Wild Relatives – draft technical guidelines</i> (FAO PGRFA, 2015).</p> <p>These steps are briefly described in Outputs 1.1 and 1.2.</p>	

Question 4	Management Response:	Where to add, section in the project document
<p>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 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>Comment: (Aichi targets) No change since PIF. However, the project has not 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).</p> <p>Recommended action: Please note in the revised proposal the relevant Aichi target(s), and the indicators that will track progress towards achieving the target(s).</p>	<p>The project supports the achievement of Aichi Targets of the UNCBD as follows: Target 7 (By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity); and Target 13 (By 2020, the genetic diversity of cultivated plants and farmed and domesticated animals and of wild relatives, including other socio-economically as well as culturally valuable species, is maintained, and strategies have been developed and implemented for minimizing genetic erosion and safeguarding their genetic diversity).</p> <p>Indicators to track progress could include: Target 7: More sustainable crop agricultural practices are being implemented in 100,000ha of croplands across the three rayons; and Target 13: At least 5 (>80ha) CWR agro-biodiversity hotspots are under some form of conservation tenure and management + The number of known landraces and varieties under productive crop cultivation in Azerbaijan increases from a baseline of <400 to >450 + More than 8 vegetable, 10 wheat/barley, and 2 forage native crop varieties are being actively maintained in field gene banks</p>	<p>Prodoc: This text was added to the Section 'Project consistency with national priorities/plans, page 40 of the prodoc, see paragraph 138, 139</p> <p>CEO Endorsement Request:</p> <p>This text was added to the Section 9 'Project consistency with national priorities', pp..19-20</p>

Question 7	Management Response:	Where to add, section in the project document
<p>Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed</p> <p>Comment 1. Not clear. The information presented under Outputs is generally vague.</p> <p>Recommended action:</p> <p>Where possible, please revise to include additional key information, for example "Output 3.2: Improve access to markets for local farmers through establishment of 10 cooperatives, and 15 agreements with wholesale buyers" (hypothetical)</p> <p>Comment 2. One of the outcomes listed under component 3 is that the area under native wheat, vegetable and forage crop production increases to at least 6%, 2% and 2% of the total area under all crop production (from less than 2%, 0.5% and 0.5%).</p> <p>Recommended action:</p> <p>Please clarify how these targets were defined.</p>	<p>Where feasible, outputs were reformulated expanding the links between targets and outputs based on the suggested example. Changes were made to Outputs 1.2, 1.3, 1.4, 2.2, 2.3, 3.1 and 3.2.</p> <p>Baseline figures were defined based on data provided by rayon agricultural departments and the State Statistics Committee. Targets were defined based on the discussions with native crop producers (farmers and private companies) and processors/retailers, and reflect their projections of what is realistic and achievable with the project support.</p>	<p>CEO Endorsement Request: Changes were made to Table B, page 1-3; a footnote was added on page 1.</p> <p>CEO Endorsement Request: A footnote was added on page 3.</p>

<p>Comment 3. Also under component 3, it is stated that at least 400 small farmers would benefit from grant funding support 1 (US\$500-\$1,500/farmer or household) to native crop agriculture and at least 5 processors and retailers benefit from grant funding support for trading in niche high value products derived from native crops.</p> <p>Recommended action:</p> <p>The "benefit" should be more explicitly defined as successful access to funding is merely an intermediary outcome.</p>	<p>Nature of benefits resulting from the grant programme was defined as follows: increase in income, access to markets, additional skills and/or additional equipment, materials and/or infrastructure.</p>	<p>CEO Endorsement Request:</p> <p>Table B, page 3</p>
<p>Question 9</p>	<p>Management Response:</p>	<p>Where to add, section in the project document</p>
<p>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> <p>Comment. Not clear.</p> <p>Recommended action:</p> <p>Please provide further information, particularly regarding gender dimension. Also please see comment under</p>	<p>Project activities will put local women leaders at the core of implementation and will demonstrate the important role of community leadership in the successful uptake of proposed schemes and practices. Women are the major drivers behind seed selection and conservation activities; hence their participation in seed sorting, selection and conservation is crucial for the success of the project. Priority will be given to the female farmers to participate in the new agro biodiversity subsidy scheme to be created under the project. Women are expected to benefit from the</p>	<p>CEO Endorsement Request:</p> <p>Text added in Section 'Benefits', p. 19</p>

no. 10.	new financial scheme resulting in increased income of rural households.	
Question 10.	Management Response:	Where to add, section in the project document
<p>Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p> <p>Comment.</p> <p>Not clear. The proposal, for example, states that the project will target the direct or indirect involvement of at least 2,000 women in project activities and that priority will be given to supporting female farmers to access agrobiodiversity subsidies and to directly benefit from technical and financial support from the projects small grant programs. However, the proposal does not provide any information on how this will be ensured.</p> <p>Recommended action:</p> <p>Please discuss further how gender considerations will be reflected in the project implementation.</p>	<p>Socio-economic survey will be conducted among the target households that will include gender-specific analysis. The results of the survey will be used to establish quotas for women farmers participating in the new agro-biodiversity subsidy scheme so that they at least are on the same proportion as men. Focused consultations will be conducted with women farmers in all three rayons to tap on their knowledge for the preparation of seed collection and conservation strategies.</p> <p>Please note that there are no indigenous communities in the target areas.</p>	<p>CEO Endorsement Request:</p> <p>Text added in Section 'Gender considerations', p. 14</p>
Question 15	Management Response:	Where to add, section in the project document

<p>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?</p> <p>Comment. Not clear.</p> <p>Recommended action:</p> <p>Please supply further information on the cost-effectiveness, particularly with regards to the comparison with alternative approaches to achieve similar benefits, or provide clarifications.</p>	<p>The project strategy was selected following a review of alternative project scenarios that could have generated equivalent global environmental benefits for the same scale of investment. These scenarios included: (i) strengthening one part of the value chain – such as seed production - for commercially viable native crops across the country; (ii) enhancing the <i>in situ</i> and <i>ex situ</i> conservation of indigenous wild relatives of crops and local landraces across the country to ensure an adequate source of genetic resources for plant breeding; (iii) building the full value chain at the local, national and international level for just one native crop species that is important to national food security (such as wheat or barley); and (iv) developing the institutional and individual capacities of the local, regional and national organisations responsible for promoting the production and use of local landraces in agricultural smallholdings and commercial farms. While each of these options has considerable merit, the government indicated a need to address all of these elements (i.e. strengthening the value chain for commercially important native crops, conservation of crop wild relatives and building the capacities of individual farmers and agricultural organisations), hence the bundling of all these</p>	<p>FSP Prodoc: Text was added to Section 'Cost-effectiveness', p.39, paragraph 131</p>
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	<p>elements into a project that contains the spatial focus to three agriculturally important rayons and focuses on the entire value chain for a range of commercially viable native crop species within these rayons. The government has, in turn, committed to supporting the scaling-up, or replication, of good practises in other rayons and/or for other native crops.</p>	
Question 21	Management Response:	Where to add, section in the project document
<p>Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p> <p>Comment. Not clear.</p> <p>The Biodiversity tracking tool has been included. However, the Land Degradation Focal Area tracking tool for GEF-6 has not been included.</p> <p>Recommended action:</p> <p>Please include the LD tracking tool in the revised submission, considering the LD strategic objective, targets, and the proportion of funding from the FA towards this project.</p>	<p>LD tracking tool has been prepared and submitted as part of the original submission package, but it might have not reached the GEF Secretariat at the time of first submission for technical reasons. We res-submit it herewith therefore</p>	<p>Added as a separate document.</p>

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

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 GEF fund</i>	<i>GEF Amount (\$)</i>		
	<i>Budgeted amount</i>	<i>Amount spent todate</i>	<i>Amount committed</i>
To preparation the maps of target areas for having better picture on project site	25,000	20,500	4,500
Situation analysis and develop a strategy for sustainable use of agro biodiversity	45,000	37,536	9,384
Assessment of the capacity of different agencies to support the implementation of project activities	27,000	21,428	3,652
Develop a project implementation plan and budget	53,000	50,125	2,875
Total	150,000	129,589	20,411

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