FAO/GLOBAL ENVIRONMENT FACILITY

PROJECT DOCUMENT

PROJECT TITLE:	**Forest Resources Assessment and Monitoring to Strengthen Forest Knowledge Framework in Azerbaijan**
PROJECT CODE:	**GCP/AZE/007/GFF**
COUNTRY:	Azerbaijan
FINANCING PARTNER:	GEF
FAO Project ID:	640651 GEF/LDCF/SCCF Project ID: 9795
EXECUTING PARTNERS:	Forestry Department of the Ministry of Ecology and Natural Resources (MENR)
Expected EOD (Starting Date):	01/04/2017
Expected NTE (End Date):	31/03/2019
CONTRIBUTION TO FAO's STRATEGIC FRAMEWORK:	**a. Strategic Objective/Organizational Result:** Strategic Objective 2 - Make agriculture, forestry and fisheries more productive and sustainable Strategic Objective 3 - Reduce rural poverty **b. Regional Result/Priority Areas:** Natural resource management **c. Country Programming Framework Outcome:** Priority 6 - Sustainable, equitable and efficient forestry, land and water resources management Output 6.3.1 - National capacities increased for the assessment of forest and tree resources and potential afforestation areas, combined with support delivered in forest restoration by forest nursery production and plantation techniques
GEF Focal Areas:	Climate Change Mitigation, Land Degradation
GEF strategic objectives:	CC-2: Demonstrate systemic impacts of mitigation options; Program 4: Promote conservation and enhancement of carbon stocks in forest, and other land use, and support climate smart agriculture LD-2: Generate sustainable flows of ecosystem services from forests, including in drylands; Program 3: Landscape Management and Restoration
Environmental and social risk classification (insert √): Low risk Moderate risk√ High risk	

Financing Plan:

Source	USD
GEF Trust Fund	**1,776,484**
Co-financing	
- Forestry Department (MENR)	6,000,000
- FAO	1,000,000
Subtotal Co-financing	**7,000,000**
Total Project cost	**8,776,484**

Executive Summary

Azerbaijan is a low-forest cover country. The total forest land, called the Forest Fund, is 1,213,700 ha and 1,021,000 ha of this land covered with forests, which is 11.8 % of the total country area. The total standing volume is 148.8 million m³ with annual increment of 1.5 million m³ (2011). The country suffered two large waves of deforestation that have reduced its forest area to less than half if its original extent, the first between 1861-1921 and the second after the collapse of Soviet Union. Currently, the main drivers of forest degradation and small scale deforestations within the heights and pockets of the forests are over-grazing, livestock raising and illegal cuttings. It is usually local villagers that illegally cut the trees to use or sell the timber. The exact numbers come from the records prepared by forest protection units upon the identification of the incidents. Yet, these records barely reflect the amount of actual illegal cuts, most of the incidents cannot be located and many others are not recorded. The real extent is also unknown due to the lack of forest inventories.

Various gaps in current management practices contribute to forest degradation and partly to deforestation. While the increase in oil and gas production reduced the demand for fuelwood, this led to a widespread belief among decision-makers that the policy of "not doing anything other than sanitary cuts" would protect forests. Forest management planning has been suspended for the last two years, and as a result, forests were left unattended. At the same time, the Forest Fund was deprived of revenues that would come from wood sales. This weakened the capacity of FCRDs and they became unable to enforce the forest legislation in terms of protection.

Azerbaijan's rich forests are currently managed for protection purposes only, yet they represent a vast untapped potential in terms of production, including in terms of carbon sequestration. Moreover, there are vast areas of land in Azerbaijan that currently have little or no forest cover yet are suitable for forestry. If brought under sustainable forest management, this land could make a major contribution to the local economy as well as to sequester carbon. Finally, much of the existing forest is currently being degraded, thereby losing both its production and protection values. To revert this situation, the project aims to introduce sustainable forest management into Azerbaijan in order to increase social and economic benefits from forests, to improve the quality of existing forests and to increase carbon sequestration.The project is articulated in three components:

Component 1: Forest Resource Information Management System. Under this Component, the project will support the development of a system to provide country-wide reliable, up-to-date information on forest resources, forestry related elements and their participatory assessment under seven globally accepted criteria.

Component 2: Multifunctional forest management leading to carbon sequestration, improvement in forest and tree resources and their contribution to local livelihoods. Under this component the project will

revitalize the forest management planning system. It will provide updated maps and state of art tools for systematic sampling. It will pave the road for carbon sequestering implementations as well as an appropriate environment for improving the economy of local livelihoods and small farm holders. Field activities will be implemented in two rayons: Agdas and Qax.

Component 3: Monitoring, evaluation and knowledge-sharing. The project implementation and M&E systems will be supported under this Component. In addition, under this component the project aims to develop guidelines and extension material and to raise awareness towards environmental concerns and the role of forests in coping with this problems particularly mitigating climate change, thus improving the capacity of the forestry organizations by obtaining civil and private support that would be effective at political level.

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Acronyms

AWP/B	Annual Work Plan and Budget
BH	Budget Holder
CBD	Convention on Biological Diversity
CPF	Country Programming Framework
CSAP	Communication Strategy Action Plan
DFD	Department of Forest Development
ESMG	FAO's Enrivonmental and Social Guidelines
FAO	Food and Agriculture Organization of the United Nations
FAOSEC	FAO Subregional Office for Central Asia
FCRD	Forest Conservation and Reforestation Directorate
FE	Final Evaluation
FLO	Funding Liaison Officer
FPMIS	Field Programme Management Information System
FRA	Global Forest Resources Assessment
FTFP	FAO-Turkey Forestry Partnership Programme
GCC	General Coordination Committee
GDP	Gross Domestic Product
HDI	Human Development Index
IEAs	International Environmental Agreements
INDC	Intended Nationally Determined Contribution
LTO	Lead Technical Officer
LULUCF	Land Use, Land-Use Change, and Forestry
MENR	Ministry of Ecology and Natural Resources
MTR	Mid-Term Review
NBSAP	National Biodiversity Strategy and Action Plan
NFP	National Forest Program
NGO	Non-Geovernmental Organization
NFMIS	National Forest Monitoring and Information Systems
NPD	National Project Director
NTC	National Technical Coordinator
NWFP	Non-Wood Forest Product
PIR	Annual Project Implementation Review
PIU	Project Implementation Unit
PPR	Project Progress Report
PSC	Project Steering Committee
PTF	Project Task Force
PTT	Project Technical Team
RBM	Results-Based Management
SFM	Sustainable Forest Management
SFM C&I	Sustainable Forest Management Criteria & Indicators
SRCS	State Registration and Cadastre Section
TORs	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars

SECTION 1 – PROJECT RATIONALE

1. The proposed project seeks to support the development of the forestry sector in Azerbaijan by supporting the development of a Forest Monitoring system, by developing pilot activities with local communities, and by supporting changes to the existing framework to ensure the sector becomes more attractive. This section starts by providing the context of forestry in Azerbaijan, followed by. Special attention is given to the areas of intervention (Agdas and Qax Rayons). Project components are described in subsection 1.3.

1.1 PROJECT CONTEXT

1.1.1 The national context

2. The Republic of Azerbaijan is a Central Asian country located on the western side of Caspian Sea with an area of 86,600 km². It borders Iran in the south, Russia in the north, Georgia in the northwest and Armenia in the west. Mountains occupy more than half of the country and the diverse landscape embraces variety of microclimates, soil and vegetative conditions. The average temperature in July ranges from 5°C in highlands to 27°C in lowlands, and in January it ranges from -10°C in highlands to 4°C in lowlands. Precipitation ranges between 200 mm/year in the foothills of the Caucasus Mountains to 1700 mm/year in the Lankaran lowland area.

3. As an upper middle-income country and with a population of 9.5 million, Azerbaijan shows a solid rise in income and a reduction in poverty. The GDP has reached 75.2 billion USD with 2 % growth. Much of the revenue comes from gas and oil and this is the main economic concern of the Azerbaijan. The country is in an effort to stimulate non-oil economic development with a special focus on agriculture. Although the agriculture sector counts for 7 % of GDP, it has a significant potential for export revenues and it is still a key source of employment.

4. Azerbaijan's HDI value for 2013 is 0.747— which is in the high human development category—positioning the country at 76 out of 187 countries and territories. Azerbaijan has a Gender Inequality Index value of 0.340, ranking it 62 out of 149 countries in the 2013 index. In Azerbaijan, 93.7 percent of adult women have reached at least a secondary level of education compared to 97.4 percent of their male counterparts. Female participation in the labour market is 62.5 percent compared to 68.9 for men[1].

State of Forests and Forestry

5. Azerbaijan is a low-forest cover country.[2] The total forest land, called the Forest Fund, is 1,213,700 ha and 1,021,000 ha of this land covered with forests, which is 11.8 % of the total country area. The total standing volume is 148.8 million m³ with annual increment of 1.5 million m³ (2011).

[1] http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/AZE.pdf
[2] See FAO Global Forest Resources Assessment 2015, country report for Azerbaijan at: http://www.fao.org/3/a-az158e.pdf

6. The Forest Fund consists of mountainous and lowland forests. The country's forest resources are rated as *first group forests,*[3] and in terms of protection they are divided into the following categories:

1. forest reserves
2. resort forests
3. particularly valuable forest areas
4. forest green areas in cities and other populated areas
5. wild fruit forests
6. state protective forest belts
7. other forests.

7. There are over 450 species of trees and bushes in Azerbaijan, but the vast majority of the forests (88 %) consists of broadleaved species (hardwood). Oriental beech (*Fagus orientalis*) accounts for 31.68 % of the forests, followed by Hornbeam (*Carpinus sp*.) with 26.04 % and Oak species (*Quercus sp*.) with 23.4 %. Other important species are birch, ash, poplar, alder, juniper, walnut, chestnut, lime tree and iron tree.

Institutional framework

8. The Department of Forest Development (DFD) under the Ministry of Ecology and Natural Resources (MENR) is the primary responsible unit for the management of the forests.[4] The main task of the DFD is the protection of forests. DFD is also in charge of forest rehabilitation, planting, seed and nurseries, forest inventory and registration of forests. DFD has 5 divisions at the headquarters and 35 Forest Conservation and Reforestation Directorates (FCRD), 6 forest nurseries and 2 regional afforestation directorates at the field level. While DFD employs a total of 25 staff, the whole forestry organization employs 480 forest engineers and 230 forest technicians. The organization is both technically and financially weak both at central and field level. Hence the forestry activities are limited to about 10,000 hectares per year, of which 7,500 ha of rehabilitation and 2,500 to 3,000 ha afforestation. In addition, the nurseries are under primitive conditions, as there is no potted seedling production. Two other important bodies are (i) the Forestry Scientific Research Institute, an associated unit of DFD under MENR; and (ii) the State Land and Mapping Committee, which is the central executive body on land cadastre, land monitoring, geodesy, topography, cartography, land reform, definition of land uses and other land related tasks. The role of the State Land Committee in forest policy is advisory in nature. The committee provides recommendations or proposals to the Cabinet of Ministers of the Republic of Azerbaijan on land and forest land issues.

Legal and political framework

9. Forests in Azerbaijan are owned by the state and are managed according to the Forest Code and to the Law on Environmental Protection. According to the Forest Code, land under the Forest Fund must be used mainly for the development and expansion of forests. This land can be leased for restoration purposes. Forests and forest lands are not subject to privatization. Natural persons and legal entities are the only users of forests which can be granted with

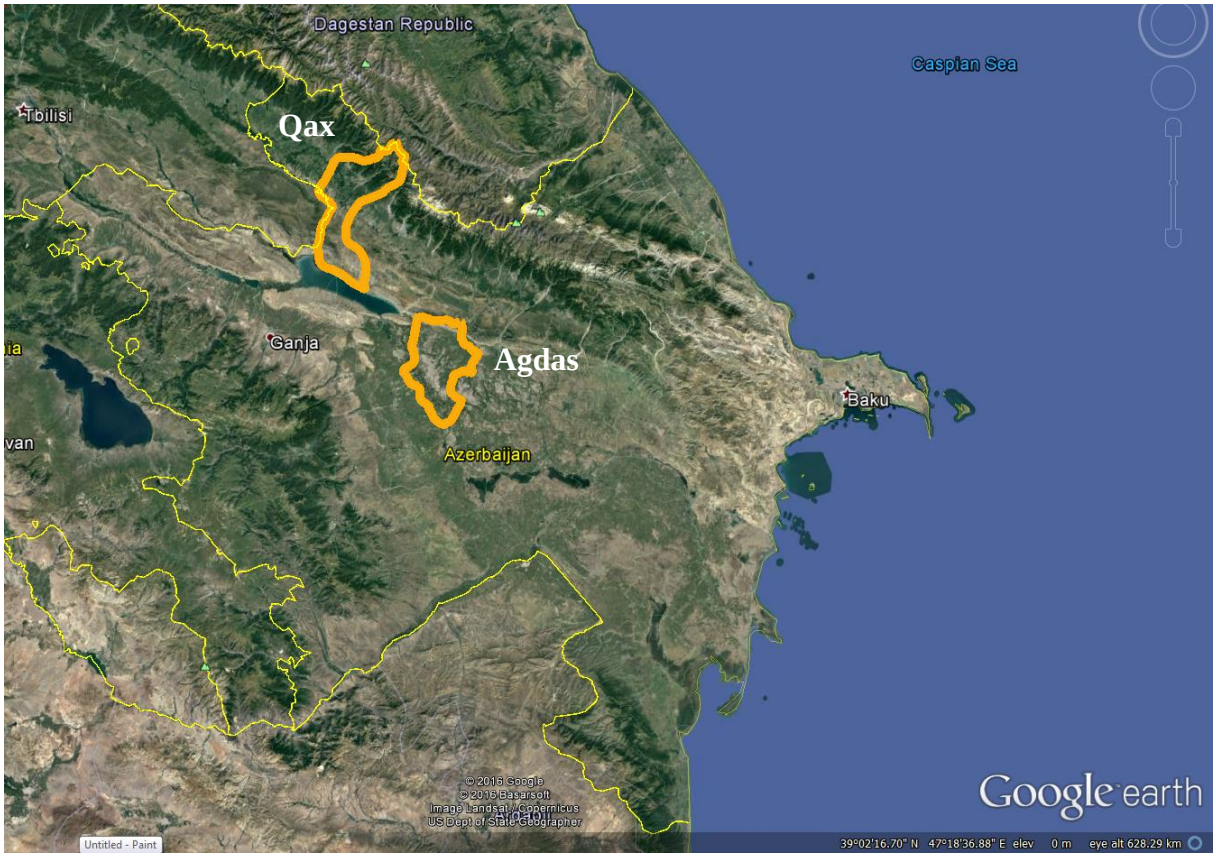
[3] First group forests are forests managed for their protective functions in accordance to their economic and ecological value, location and functions. See Republic of Azerbaijan National Foresty Program at (http://www.fao.org/forestry/39774-0e03f4576d53ec8aeeba6da1d02f63922.pdf)

[4] The annual budget of the MENR is about 55 million USD and the Budget of the DFD is about 11 million USD. DFD has also a fund financed from wood and NWFP sales, penalties and leases. This budget is about 1 million USD per year and is used for main forestry activities

certain rights such as the right to the utilization of lands under the forest fund[5]. There is no effective participatory mechanism: NGOs and other civil society organizations so far have had limited access to planning and decision making processes.

1.1.2 Areas of intervention

10. The project will implement field activities in two rayons: Agdas and Qax. The map below shows the location of the two rayons.



11. Agdas is located along Kura River with a total area of 7,470 ha of which 3,247 ha is forest. The main tree species are poplar, tamarix, ash, acacia, oak, willow andpine. The total volume of the forests is 2,787,400 m3 with an annual increment of 1 m^3 per hectare. The management plan of Agdas started implementation in 2004. The plan gives 700 m3 annual felling. In 2015 the total production was 410 m3 (10% industrial 90% fuel wood). The annual program for afforestation is 60 ha and for restoration is 10 ha. Around 100 workers from 5 villages (total 72 villages) are employed throughout the year (40 % woman). The FCRD has 1 director, 1 assistant director, 10 technical persons and 22 forest guards. Agdas Nursery produces 600.000 seedlings per year.

12. Agdas FCRD earns 12,000 manat (USD 7,500) from fuel wood sales and 2,800 manat (usd 1,750) from industrial. The revenue from the leases amounts to 8,000 manat (USD

[5] Forest servitude can be either “massive” (i.e. all natural persons are free to enter the forest fund) or “special” (i.e. the rights of natural persons and legal entities is limited in favor or other interested parties).

5.000) in a year, the penalties reached 1,550 manat last year (970 $). The sales of non wood forest products (including agricultural) is about 4.200 manat (2.625 $). Thus, the total contribution of Agdas FCRD to Forest Fund is a little more than 17.500 dollars per year. The FCRD has 1 ten-year and 22 one-year leases. Contractors usually produce grass, pomegranate and vegetables.The area of protected forests is 877 ha. The average volume of stocked forests is 97 m3/ha and increment 2.4 m3/ha, whereas in degraded forests of Agdas the average volume is 16 m3/ha and increment 0.3 m3/ha.

13. Qax is located in the mountainous North-West of Azerbaijan. It has a total area of 30,935 ha of which 21.458 ha is forest. The main tree species are oak, hornbeam, poplar, parrotia and alder. The total volume of the forests is 27.457.600 m3 with an annual increment of 1.69 m3 per hectare. The management plan of Agdas came into implementation in 2007. The plan gives 3.290 m3 annual felling. The annual program for afforestation is 60 ha, for restoration is 40 ha and for rehabilitation is 310 ha. Around 61 workers from 26 villages (total 56 villages) are employed throughout the year (9 woman). The FCRD has 1 director, 1 assistant director, 14 technical persons and 42 forest guards. Qax Nursery produces 220.000 seedlings per year.

14. Qax earned 44,336 manat from wood sales (USD 28,000) and 10,060 manat (USD 6,300) from penalties in the last year. Non wood forest products (including agricultural) reached 2,800 manat (USD 1,750). Total contribution to Forest fund is around 36,000 dollars. The FCRD has a ten-year lease. Qax with the support of the project, could invest in 150 ha (rehabilitation, afforestation and restoration) in addition to their program.

1.2 THE CURRENT SITUATION

1.2.1 Threats to Global Environmental Benefits

15. It is estimated that by mid 19-th century, forests covered 30 % of Azerbaijan (2.6 millon hectares). The country suffered two large waves of deforestation that have reduced its forest area to less than half if its original extent. First, the oil age led to mass destructions in forests in the plains of the country between 1861-1921 as wood was needed to build oil wells. The second important wave of forest destruction came after the collapse of Soviet Union. The cut in the flow of subsidized natural gas, coal and wood from Russia led to the mass destruction and degradation that started in 1991 since most of the rural population had to meet their energy needs from forests. The root causes of both waves of deforestation have been removed today, since iron replaced wood in oil well constructions and natural gas has been provided to most of the villages and current government programs aim to reach 80 % of the villages in the short term. In addition, government-led measures, mainly protective provisions in the forestry legislation that prohibit harvesting from forests except for sanitary cuts, left no space for substantial deforestations.

16. Currently, the main drivers of forest degradation and small scale deforestations within the heights and pockets of the forests are over-grazing, livestock raising and illegal cuttings.[6] The real extent is unknown due to the lack of inventories.Various gaps in current management

[6] See Annex 1 for annual data. Illegal cuttings are usually estimated to be in the range of 30,000 to 40,000 m^3. While illegal cuts decreased significantly between 2004 and 2012, there was a sharp increase in illegal logging in 2013. The latest year for which data are available is 2013, where 32,623 m^3 of wood were illegally cut at an estimated value of $222,348.

practices contribute to forest degradation and partly to deforestation. While the increase in oil and gas production reduced the demand for fuelwood, this led to a widespread belief among that the policy of "*not doing anything other than sanitary cuts"* would protect forests. This policy confined the forestry activities to plantations in non-forested areas and only allowed sanitary cuts in forests. Forest management planning has been suspended for the last two years, and as a result, forests were left unattended. At the same time, the Forest Fund was deprived of revenues that would come from wood sales. This weakened the capacity of FCRDs and they became unable to enforce the forest legislation in terms of protection. The situation was aggravated by overgrazing and illegal cuts that have led to further forest degradation and partly to deforestation.

17. Nonetheless, degradation and some deforestation persists, particularly in lower income areas not well served with gas. Deforestation happens mainly in elevated areas and small, concealed valleys of the existing forests where enforcement of forest protection activities is difficult. Currently, the main drivers of forest degradation and small scale deforestation are over-grazing, livestock raising and illegal cuttings. Illegal cuts are widespread and it is one of the most important causes of forest degradation in Azerbaijan. It is usually local villagers that illegally cut the trees to use or sell the timber. The exact numbers come from the records prepared by forest protection units upon the identification of the incidents. Yet, these records barely reflect the amount of actual illegal cuts, most of the incidents cannot be located and many others are not recorded as high figures may indicate low performance of the foresters in charge. The real extent is also unknown due to the lack of forest inventories. Various gaps in current management practices contribute to forest degradation and partly to deforestation. While the increase in oil and gas production reduced the demand for fuelwood, this led to a widespread belief among decision-makers that the policy of "not doing anything other than sanitary cuts" would protect forests. This policy confined the forestry activities to plantations in non-forested areas and only allowed sanitary cuts in forests. Forest management planning has been suspended for the last two years, and as a result, forests were left unattended. At the same time, the Forest Fund was deprived of revenues that would come from wood sales. This weakened the capacity of FCRDs and they became unable to enforce the forest legislation in terms of protection. The situation was aggravated by overgrazing and illegal cuts that have led to further forest degradation and partly to deforestation.

Table 1. Azerbaijan Illegal Cuts

Year	Number of trees	Volume (m3)	Value (usd)
2004	80,327	46,432	161,764
2005	65,753	38,493	303,610
2006	69,987	36,842	285,067
2007	50,657	31,430	233,083
2008	53,143	30,404	233,168
2009	55,778	34,242	240,359
2010	63,637	34,483	245,813
2011	38,587	24,300	172,922
2012	52,563	24,066	157,437
2013	56,958	32,623	222,348
2014	47,389	22,051	193,670
2015	42,152	21,362	188,196

18. Past experiences of vast destructions have had deep impact on the perceptions of forest policy makers and was the main driver for prohibitive and protective policy. Although the root causes of past deforestation and degradation have been removed, this policy is still dominating among decision-makers. Nowadays, except for some small scale rehabilitation and afforestation activity and sanitary cuts, there is no sustainable forest management activity in the forests and this downgrades the forestry organization and diminishes revenue from forests which would otherwise strengthen the Forest Conservation and Rehabilitation Directorates and provide diversified income to local dwellers.

19. With a highly centralized and hierarchical structure, the forestry organization has partly attempted to reverse the situation. The priority has been given to afforestation, but the total afforested area between 2001-2014 was only 46,796 hectares due to lack of resources and appropriate nurseries. The second priority was rehabilitation and restoration of the degraded and deforested land. Because of the same reasons no effective rehabilitation and restoration programs have been applied.

1.2.2 Baseline initiatives

20. The principal activities in the baseline are implemented through the government structure and mostly by the MENR and its agencies. The government financed baseline activities focus almost exclusively on protection; there is no investment in production. In 2015, the State budget for the MENR is $55 million, of which $11 million were assigned to DFD.

21. In terms of forest policy, government technical staff, with support from international partners, have prepared a draft National Forest Program (NFP).[7] The NFP supports improvements in the technical approach and sets out to promote sustainable use of the country's forests in the long term, provide means to harmonize forest management policies with government policy instruments and rapid structural changes, and identify the challenges and means for development of institutional and legal frameworks for forest management. The draft NFP has been submitted to the Prime Minister for approval in 2013 but is not yet approved. But even if it were to be approved soon, in the current scenario the required capacity and financial resources for its implementation are unlikely to be available in the short term.

22. The NFP includes a detailed action plan (2015-2030) based upon the identification of 8 key challenges for Sustainable Forest Management in Azerbaijan: i) the development of sound policy and legislation frameworks to strengthen the institutional structures and the capacities within the forestry sector; ii) the strengthening of public awareness and stakeholders' participation for effective and sustainable SFM; iii) the strengthening of inter-sectoral linkages for forestry; iv) the development and improvement of forest planning and monitoring; v) the prevention of illegal logging and other destructive interventions, strengthening the protection and the conservation of forests; vi) the improvement of existing forests and expansion of forest areas through sustainable use and utilization of forests, with special focus on securing environmental and protective functions as well as for meeting needs and demands of the society and local communities for social and economic services and benefits of the forests; vii) the integration of climate change adaptation and mitigation

[7] The NFP and the action plan can be found here: http://www.fao.org/forestry/policy/82979/en/

concerns into forest management decisions and implementations; viii) catalyzing investments in research and education.

23. In terms of forest assessments and monitoring, the government is unable to devote adequate resources. Accordingly, in the baseline, data on forests, both at national and local level, will remain inconsistent, incomplete and out of date. As discussed above, and regarding forest management planning, activities have been stopped for the last two years and existing teams are idle at the moment. In the baseline the forest management planning system will be abolished the existing capacity will be lost, the teams will disappear.

24. The baseline also includes a range of forest management activities, financed by the State. The majority of these forestry activities are implemented through DFD. These activities are limited in scope, due to limited state budget and alternative resources. The major focus is on rehabilitation/restoration and afforestation. The total area of rehabilitation and restoration is around 10.000 hectares and the total afforestation is 2-3.000 hectares per year. The time series data shows a constant decrease in the programs. The total afforestation was close to 4,000 ha per year between 2005-2008 then it dropped to 3,500 ha per year in 2009 and 2010, to 3,000 ha per year in 2011 and 2012, finally it was 2,746 ha per year in 2013 and 2,640 ha per year in 2014. This trend is likely to continue.

Table 2. Activities of DFD between 2011-2015

Activity	Unit	2011	2012	2013	2014	2015
Rehabilitation & Restoration	Ha	7355	7450	7385	7485	7505
Afforestation (seeding planting)	Ha	3149	3078	2746	2640	2636
Number of planted trees	1000	7738	5492	4781	3863	4310
Seedling production	Million	26,6	25,4	26,6	28,3	30,2
Transmission of young stands	Ha	7800	9214	8587	10021	9738
Transmission of young plantations	Ha	2934	3414	2942	3396	2768
Seed production	Ton	170.4	179.9	182.5	115.7	175.1

25. Under the GCP/TUR/002 project,[8] FAO supported, the training of 4 Azerbaijan foresters on the rehabilitation of watershed and developed a handbook for the planning of micro-catchments. In the baseline the trained foresters are working in different Rayons and they will not be effective without a broader support at national level. Recently, the FAO and the Government of Turkey signed a 5-year, $10 million programme called the FAO-Turkey Forestry Partnership Programme (FTFP). The program will provide support to countries in Central Asia and the Caucasus. The country-specific programs are currently being developed, but any intervention in Azerbaijan will be coordinated with the project being proposed in this PIF. The FTFP funds will also serve as co-financing to this project, but the exact amount will be explored during the preparation phase as project activities become clear. In addition, the FAO and the Government of Azerbaijan have also recently signed an additional 5-year, $10 million programme to support agriculture development in Azerbaijan. As with the FTFP, programme activities are being designed and will be coordinated with the proposed activities in this PIF. Specifically, it is expected that this programme will provide co-financing to agroforestry activities under Component 3, but this will be explored during preparation.

[8] Financed by the Turkish Cooperation and Coordination Agency (TIKA)

26. The Forest Fund revenues, on the other hand, reached a little over $1 million in 2014. There is a high potential to increase the Forest Fund revenues—these revenues consisting of income from wood sales, leases and penalties. The project aims to diversify sustainable forest management activities which will increase wood and non-wood production and encourage revenue-making lease systems.

1.2.3 Remaining barriers

27. Although there are no exact figures because of the lack of forest inventories since 1988, it is clear that there is a high potential for rehabilitation, restoration and sustainable use of forests in Azerbaijan. Forest destruction of 1991 and subsequent years, points out to the high potential of restoration in the openings scattered in the forests, and high potential of degraded forests to be rehabilitated. The remaining barriers are:

a) **Inadequate data on forests and forest cover**. The data on forest cover is inconsistent, unreliable, incomplete and out of date. The last inventory was made in 1988. The forestry organization has no reliable figure on forest resources, they are not able to report to virtually any of the IEAs and other mechanisms. The figures for forests is calculated according to the management plan inventories, and recently, from the reports of rehabilitation, restoration and afforestation activities. Therefore, data for forests, trees and other land uses from different sources is considerably inconsistent In addition, there is no reliable data on forests outside the Forest Fund. Data on the current and potential carbon stocks in Azerbaijan's forests is very incomplete and inconsistent. According to the Global Forest Resources Assessment 2010, forest biomass carbon stock in Azerbaijan is 58 million tons (58 ton per hectare). According to the report prepared by Azerbaijan UNFCC focal point, net CO2 absorb by forests reached -3.923 Gg in 2010 which approximately equals to1.069.81 ton Carbon. This is a major barrier to forest legislation and policy fine-tuning and implementation, effective national level planning and management, as well as to local level planning and management. This also strongly undermines the ability to report to the International Environmental Agreements (IEAs).

b) **Outdated forest management plans.** Forest management plans are old and out of date. Five forest management teams used to plan around 175.000 ha per year, but for the last 2 years forest management planning activities have been suspended due to insufficient funding. Plans only address protection and afforestation they do not address many related issues such as carbon, biodiversity, NWFP harvesting, participation, and innovative financing, among others. As a result, forest management does not aim to generate the full ecological, economic and social potential of forests. The few planned forest management activities are carried out in a traditional way and limited financial and technical resources – i.e. nurseries for seed and seedling production and the seed laboratory in MENR are under-equipped and outdated – wich hinders rehabilitation and reforestation/afforestation efforts. Moreover, the management planning process does not draw on international best practices, including stakeholder participation. In addition, a significant part of forests has poor stand structure with very low productivity and this is attributed to the unsustainable forestry practices in the past.

c) **Inadequate monitoring capacity.** National and local forest agencies lack the knowledge and equipment to undertake forest monitoring. They have almost no

ability to monitor factors such as carbon, biodiversity and socio-economic dyamics. This is a barrier to local planning and management;

d) **Administrative attitudes.** Forest managers and decision-makers are conservative and generally unwilling to test and adopt new practices and measures;

e) **Lack of awareness.** Rural and urban populations and decision making mechanisms do not consider the forestry issues as a matter of concern. The cities are far from the forests, Baku, where more than half of the Azerbaijan population live, is 100 km from the nearest forest. So the forests and their state is not visible to many.

f) **Lack of resources.** It is important to highlight that while the sector suffers from "lack of resources", this merely reflects the lack of priority given by the Government of Azerbaijan to the forestry sector. But the government is capable and willing to increase the resources devoted to forestry if it understands the merits of sustainable forest management. A self-financing forest fund is possible if the sector is modernized and adequate capacity is built both within the government and at the local level. In this regard, the project intends to encourage the government to do so by demonstrating the latest SFM techniques, by improving the enabling environment, and by increasing the technical capacity of the organization and have it act as a catalyst for change.

g) **Incomplete forest policy.** The aforementioned increase in oil and gas production has considerably decreased interest among decision-makers in forest policy issues ("not doing anything other than sanitary cuts"). Forest management planning has been suspended for the last two years, and as a result, forests were left unattended. Wood sales dropped which deprived the Forest Fund of revenues and weakened the capacity of FCRDs to enforce forest legislation and protect forests from unsustainable use, overgrazing and degradation. The National Forest Programme (NFP) developed in 2013 has not yet been approved by the Government and other policy approaches for the forestry sector do currently not exist. This prevents stakeholders from adequately participating in decision-making processes and diminishes inter-sectoral collaboration. At the same time, it provides disincentives for long term investment in forests.

28. Finally, there is a specific set of barriers facing private sector farmers who manage agricultural land that is contiguous to forests and suitable for forestry and could lead to significant carbon sequestration. In general, these farmers have very little site specific data regarding alternative crops and they do not have access to technology and information on alternative forestry practices. Moreover, the current extension system is not able to provide them with information and access to technology, and they face high entry costs and an associated high risk. Already struggling for their livelihood with limited resources, local dwellers around forested areas have been deprived of the resources around them and pushed to unsustainable and illegal practices which degrade forests.

1.3 THE GEF ALTERNATIVE

1.3.1 Project strategy

29. As described in the above sections, Azerbaijan's rich forests are currently managed for protection purposes only. They represent a vast untapped potential in terms of production, including in terms of carbon sequestration. Moreover, there are vast areas of land in Azerbaijan that currently have little or no forest cover yet are suitable for forestry. If brought under sustainable forest management, this land could make a major contribution to the local economy as well as to sequester carbon. Finally, much of the existing forest is currently being degraded, thereby losing both its production and protection values.

30. The alternative proposed through this project is to contribute to the reversal of this situation, to help switch forestry in Azerbaijan onto a path of increased forests, increased social and economic benefits from forests, increased carbon sequestration from forests and an improved quality of existing forest. The project attempts to show-case SFM in a holistic and integrated approach, that is, through a multi functional and integrated forest management plan supported by participatory SFM mechanism that includes pasture rehabilitation, wood and non wood production, rehabilitation, restoration, afforestation, and the provision of services such as recreation, soil protection or water protection. To achieve this, the proposed project has three components and seven outcomes, as described in the following sections.

1.3.2 Project objectives, outcomes and outputs

31. The objective of the project is to introduce sustainable forest management into Azerbaijan in order to increase social and economic benefits from forests, to improve the quality of existing forests and to increase carbon sequestration. This project will support the implementation of the draft National Forest Policy and Azerbaijan's commitments under the United Nations Framework Convention on Climate Change (UNFCCC), where, the country committed to reduce its greenhouse gas emissions by 35% relative to its 1990 emissions.[9]

Component 1: Forest Resource Information Management System.

32. Under this Component, the project will support the development of a system to provide country-wide reliable, up-to-date information on forest resources, forestry related elements and their participatory assessment under globally accepted criteria. The system will also support related processes to report to the UNFCCC and the UNCCD, and notably to the preparation of the UNFCCC national communications. The system will also contribute to report to other international initiatives, such as the Sustainable Development Goals and Global Forest Resources Assessment (FRA) 2020.

33. The project will promote the use of Collect Earth for land monitoring through augmented visual interpretation. Collect Earth is a free and open source software for forest analysis and land use and land use change monitoring that was developed under the auspices of the *National Forest Monitoring and Information Systems* (NFMIS) project[10] to promote transparent and truthful REDD+ processes. Collect Earth uses Google Earth interface and technology (Google Engine) that facilitates access to multiple archives of satellite imagery

[9] See Azerbaijan's Intended Nationally Determined Contribution (INDC) at http://www4.unfccc.int/submissions/INDC/Published%20Documents/Azerbaijan/1/INDC%20Azerbaijan.pdf

[10] The project was supported by FAO, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the International Climate Initiative. See Open Foris at http://www.openforis.org/tools/collect-earth.html

(Landsat, Sentinel 2) in order to visually interpret them for forestry, land use and land use change data collection.There are two outcomes and nine outputs under this Component :

Outcome 1.1: *A methodological mechanism for data collection, assessment and reporting developed.*

34. The system for identification, description, collection, assessment and reporting of quantitative and qualitative data and information will be based on Sustainable Forest Management Criteria and Indicators (SFM C&I) mechanism. In order to achieve this outcome, the project will deliver the following outputs:

- **Output 1.1.1**. A concept paper on the elements of SFM and background of the SFM C&I will be prepared. The project will hire an international expert who will draft the concept paper. The document will include a draft set of indicators under seven (7) criteria compiled from Pan-European and Near East SFM C&I sets and draft terms of reference, roles and responsibilities and operational mechanisms of the SFM General Coordination Committee (see Output 1.1.2 below). The concept note will focus on the participatory nature of the SFM C&I. The concept paper will be validated by MENR.

- **Output 1.1.2**. A workshop at project inception phase will set up a General Coordination Committee (GCC) to organize, coordinate, guide, control and report SFM related data and activities. Then, GCC will set up a working group to identify the national SFM C&I set and elaborate all quantitative, qualitative and sex-disaggregated data and gender sensitive information needed to achieve SFM objectives. The GCC will be a voluntary body and it may recommend or propose actions to stakeholdres. It will hold ordinary session once per year and extraordinary sessions when deemed necessary by MENR.

- **Output 1.1.3**. The working group will identify the national set of SFM C&I and structure the data under C&I. The Group will also identify the technology, tools and means of national inventory, software and hardware needs and identification of appropriate guidelines for aerial data interpretation and other necessary technical works. The group will present the results including a work program for the national forest inventory to GCC. GCC will officially declare the National SFM C&I for Azerbaijan.

Outcome 1.2: *An Operational National Forest Assessment and Monitoring System*

35. The system will be shaped according to the results of Outcome 1.1, and will include the following outputs:

- **Output 1.2.1**. A capacity development program for cadres and stakeholders. The program will train a team of 10 experts from DFD including modules on i) operationalization of the National Forest Assessment and Monitoring System; ii) forest and carbon stock inventory; iii) use of Collect Earth software; use of Ex-Act tool for Carbon calculation. The Cartography and Geodesy Department (previously part of the abolished Ministry of Soil, now under the MERN) has highly

experienced cartographers, topographers and GIS experts. The project will build on and further develop this existing capacity.

- **Output 1.2.2**. An operational geographic information system for forest assessment and monitoring. The project will establish an equipped and fully operational GIS Laboratory in DFD and will develop specific open-source software tools using Collect Earth and its suite of tools as a base. A geo-referenced database will be designed and fed with data collected under output 1.2.3 below.

- **Output 1.2.3**. Data collection and analysis. Guidelines for ground sampling and data verification will be prepared and disseminated. A team of 10 experts from DFD will be trained and with the support of the Cartography and Geodesy Department they will design sample plots on ground and analyze data at that sample plots to verify the information gathered from aerial images and collect the information that cannot be obtained from aerial data. The project will use the recently FAO-developed Collect Earth program as it represents a cost efficient method to develop to carry out forest assessments. This will allow to extend the assessment to an area of of 72,137 km^2. With an estimation of 100 plots/day sampled by operator: i) Considering a 1*1 km grid equals to sampling 72,137 plots which equals to 721 person*day; ii) Considering a 0.5*0.5 km grid equals to sampling 288,548 plots which equals to 2,885 person*day. Trained cadres will organize and set-up ground sampling teams, aerial data (images & photos) will be interpreted and validated during ground works. The data and information will be collected, analyzed, classified and stored in the database.

- **Output 1.2.4**. Participatory C & I assessment. Based on the data and information collected and facts found, a national level workshop will be organized for the assessment and reporting of SFM Criteria & Indicators at national level. This workshop will facilitate the national assessment of SFM C&I once we finish collection of all necessary data and information at national level at the end of the project. The workshop is expected to highlight the trend in forests and forestry in Azerbaijan, produce recommendations and proposals for future steps (including projects and adjustments to the legal and policy framework) in a formal report that will be made available to national and international stakeholders and public).

36. GEF incremental financing of USD 206,830 for Component 1 will be invested in the creation of a reliable nation-wide information and monitoring system that will provide updated and complete data on forest cover. The Project will build on and complement government baseline activities, notably the ongoing work of DFD to collect data on forestry and to prepare reports to national government as well as international conventions. The estimated value of the work that will be carried out by the government is USD 500,000, including images interpretation, ground sampling, logistics, maps, printings, publications, field trips, meetings, for a total component cost of USD 706,830.

Component 2: Multifunctional forest management leading to carbon sequestration, improvement in forest and tree resources and their contribution to local livelihoods.

37. Under this component the project will revitalize the forest management planning system. It will provide updated maps and state of art tools for systematic sampling. It will pave the road for carbon sequestering implementations as well as an appropriate environment for improving the economy of local livelihoods and small farm holders. The component will focus on participatory approach by organizing local level SFM C&I evaluation workshops at the inception phase of the forest management planning process. The component has three outcomes and eight outputs.

Outcome 2.1*: Improved forest management planning in 2 pilot areas.*

38. Sustainable forest management will be operationalized in two pilot locations across Azerbaijan (prelimanarly, rayons of Qax and Agdas were selected). This outcome will be achieved via the following outputs:

- **Output 2.1.1.** Guidelines on multifunctional forest management planning will be developed and following a gender sensitive approach. The guidelines on forest management planning developed by the Forestry Department of FAO will be used as basis andtailored to adapt to the national conditions. A workshop for the evaluation of forest management planning will be organizaed, with the participation of local stakeholders and forest management planning team members. The workshop will produce trade-offs, collaborations between stakeholders and advice on the arrangements such as pasture planning, income generating activities, recreational facilities, planning of sites for ecotourism etc.

- **Output 2.1.2**. A training of trainers program on forest management planning. Ten foresters will be trained as trainers that will train existing forest management planning teams. The existing forest management planning teams used to plan 175.000 ha of forest per year. Normally each year one-tenth of the total forest area should be planned, this translates to around 120.000 ha per year. The existing forest management teams will be sufficient to cover the country.

- **Output 2.1.3**. Forest management planning teams will prepare the Forest Management Plans for the Rayons of Qax and Agdas. The Plans will include watershed rehabilitation, erosion control activities, restoration of forests, new areas for planting (road sides, wind breaks, green belts, open spaces) and will identify the locations for rehabilitation and restoration. The manual for the planning of micro-catchments rehabilitation was developed under the FAO project GCP/TUR/002 discussed above, and will be tailored to Azerbaijan conditions.

Outcome 2.2*: Income generating activities for local small farm holders demonstrated*

39. As discussed in the introduction and outlined in the National Forest Program for Azerbaijan, degradation of forest resources in Azerbaijan has been caused mainly by illegal cuts, overgrazing and livestock raising. These causes are driven by local farmers trying to improve their livelihoods. The proposed Outcome seeks to pilot alternatives to relieve pressures on neighboring forests by providing local farmers with improved livelihoods linked to more efficient agroforestry systems and better pasture management. The improvement in livelihoods will be accompanied with stricter enforcement of rules to protect forests as the sector develops with the support of the project.

- **Output 2.2.1**. Pastures in 2 selected sites will be planned and rehabilitated in order to reduce the grazing pressure in forest landscapes. Planning and rehabilitation will be carried out in accordance with the new regulation developed by the GEF UNDP-implemented project in Great Caucasus and submitted for approval.

Outcome 2.3*: Carbon stocks enhanced in degraded and deforested forest fund land*

40. Activities under this Outcome seek to demonstrate how the forestry sector can be modernized in Azerbaijan. In general, the country is in dire need of restoration and afforestation activities. These activities are relatively straightforward to implement in practice and are effective ways to store carbon. The project is expected to enhance carbon stocks on 20,800 ha as described in the table below. In order to achieve this goal, a modern nursery is a prerequisite together with a modernized seed laboratory.

Table 3. Estimated area of project intervention by type

Type of Intervention	Area using GEF resources	Area using co-financing
Rehabilitation[11]/Restoration[12]	300 (150 per year)	15,000 (7,500 per year)
Reforestation/Afforestation[13]	300 (150 per year)	5.000 (2,500 per year)
Total area	600	20,000

- **Output 2.3.1**. The Project will support the modernization of the Shemkir Nursery (5 hectares) to enable large-scale rehabilitation and restoration of degraded forest areas. The nursery will not only provide seedlings for pilot areas of the Project but will continue to serve subsequent rehabilitation and restoration activities throughout the country. It will also produce fruit bearing tree seedlings for agroforestry approaches of local farmers. The Shemkir Nursery will be able to produce 2.5 million potted seedlings per year and will provide an employment opportunity for 50-60 rural women and men. This will include training on modern nursery practices for nursery staff and women workers.

- **Output 2.3.2**. Seed laboratory in MENR will be modernized. The existing lab lacks modern and necessary equipment and tools. It has one small Jakobsen germinator and an old small refrigator, but it has no cold store, precision scales, moisture measurer, air conditioning, etc. The project will invest in the purchase of

[11] Forest rehabilitation is improvement of degraded forest usually with a focus on wood quality and delivering forest products and services. Rehabilitation takes places in degraded forest areas by fencing the area, clearing the ground vegetation to favor the growth of seedlings sowed or planted, removing the trees that are dead or diseased or deemed to be removed for various reasons. Irrigation is usually not applied in the rehabilitation process, therefore the area should get sufficient precipitation (the amount depends on tree species).

[12] Forest restoration is recreation of original forest stand with its functions, structure and composition in degraded or damaged forest areas. It is a process usually applied in primary forests. The focus is on the restoration of tree diversity and dynamics of ecosystem. Therefore the methods used are less disturbing when compared to rehabilitation. The growth of seedlings sowed or planted often supported by irrigation.

[13] According to IPCC *"Afforestation and reforestation both refer to establishment of trees on non-treed land. Reforestation refers to establishment of forest on land that had recent tree cover, whereas afforestation refers to land that has been without forest for much longer*."

equipment. The modernization of the lab will enable MENR to test the quality of seeds used for reforestation and forest rehabilitation.

- **Output 2.3.3**. In 2 selected Rayons, 150 ha of degraded forest land to be identified by the forest management teams during project inception will be rehabilitated or restored each year (Total 300 ha at project closure) and placed under modern multifunctional forest management planning. In principle 50 ha per year will be restored in Agdas (dry, insufficient rainfall, irrigation is possible since located along Kura River, the forest are primary riparian forests) and 100 ha per year will be rehabilitatated in Qax (sufficient rainfall, irrigation is expensive so no restoration is expected). The exact amount of the areas to be rehabilitated or restored will be identified during the local workshops prior to the management planning by forest management teams in agreement with stakeholders. Actions undertaken under this output will be scaled up through co-financing investment, covering an area of approximately 7,500 hectares per year.

- **Output 2.3.4**. Each year 150 hectares of deforested land identified by forest management teams will be afforested or reforested (Total 300 ha at project closure) and placed under modern multifunctional forest management planning. Actions undertaken under this output will be scaled up through co-financing investment, covering an area of approximately 2,500 hectares per year.

41. Baseline activities under Component 2 include existing programs for the development of management plans (USD 400,000 for 2017-2018), operational costs for existing seed laboratory and Shemkir Nursery (USD 700,000 for 2017-2018), and the FD's afforestation/rehabilitation programs (USD 3.5 million for 2017-2018). This work is implemented by the concerned FCRDs. Total cofinancing, including staff time from DFD and forest directorates, as well as other in-kind contribution for the next 2 years is estimated at $600,000. The GEF incremental funds will be invested in piloting SFM activities in 2 pilot Rayons, in order to demonstrate their impacts on carbon secuestration, decreased land degradation, as well as improving local communities' livelihoods. GEF overall contribution to this Component is USD 960,500. Baseline and incremental financing totals USD 6,310,500.

Component 3: Monitoring, evaluation and knowledge-sharing

42. The project implementation and M&E systems will be supported under this Component. In addition, activities in this component will develop guidelines and extension material to be used by technicians and forestry extension workers in Azerbaijan. Some of the knowledge generated will be of use across the Central Asia region and in other regions. In addition, this component will help to raise awareness towards environmental concerns and the role of forests in coping with this problems particularly mitigating climate change and will help to improve the capacity of the forestry organizations by obtaining civil and private support that would be effective at political level. This component will achieve two outcomes through five outputs:

Outcome 3.1*: Project implementation based on RBM*

- **Output 3.1.1**. A gender-sensitive Project Monitoring & Evaluation Plan and system will be put in place.

- **Output 3.1.2**. Project Mid-term and Final Evaluations will be carried out in accordance with FAO evaluation rules and procedures.[14]

Outcome 3.2: *Sustainability and upscale SFM ensured through provision of up to date information on forest resources and their trend and dissemination of lesssons learned and good practices.*

- **Output 3.2.1**. A Communication Strategy Action plan (CSAP) to raise awareness on the role of forests in supporting terrestrial life, stabilizing climate and providing sustainable and renewable material and energy. Unsustainable use of forest resources, illegal interventions such as encroachments, illegal cuts in the past have created an adverse vision of forest management and lack of information exacerbated the situation. The project will prepare a questionnaire and conduct a public survey with a set of interviews to identify the perceptions of different stakeholders about forestry and forestry organization in Azerbaijan. The questionnaire will be formed in a way that will also reflect forestry sector interaction with other sectors, cross cutting issues, forest industry, trade issues, forestry organization, socio-economic and gender issues. Based on this report, DFD in cooperation with FAO will design a gender sensitive communication strategy action plan (CSAP) for Azerbaijan Forestry. As per CSAP, communication material will be prepared, disseminated, events organized, contents and format of public announcements or declarations drafted. Knowledge will be shared and public informed about development and environmental benefits of forests including how sustainable use of forest resources contribute to the mitigation of climate change.

- **Output 3.2.2**. A set of manuals or guidelines for forestry managers and technicians that captures and describe the improved practices, measures and technologies.

- **Output 3.2.3**. A web portal will be established to inform public on the results of the inventory and provision of data for research and scientific institutions. This portal will also be used for awareness building messages recommended by the Communication Strategy Action Plan prepared.

43. Component 3 will build on the normative and policy framework and on the Government agencies efforts in awareness raising, communication, knowledge management and monitoring activities. The GEF incremental investment will be invested in strengthening the enabling environment for SFM, in order to ensure sustainability and upscaling, thereby achieving far greater global benefits, notably in terms of increased carbon sequestration, decreased land degradation, and as a basis for sustainable forest management. GEF support will also ensure that the achievement of project outcomes is monitored, the project is implemented with a RBM approach and lessons learned are systematized and shared at national and regional level. The GEF contribution to this Component is USD 181,985. Baseline and incremental financing total USD 881,985.

1.3.3 Project Stakeholders

[14] See http://www.fao.org/evaluation/en/.

44. The main stakeholder is the Department of Forest Development (DFD) and its subordinates, notably the locally based Forest Conservation and Reforestation Directorates (FCRD) which are responsible for managing the Forest Fund.

Table 4. Project stakeholders and their roles in the project

Stakeholder	Mandate	Role/responsibility in Project
The Department of Forest Development (DFD) of the Ministry of Ecology and Natural Resources (MENR)	DFD is responsible for policy formulation in the forestry sector. DFD is responsible for forest assessments and inventory. It controls and supervises all forests and all forestry activity in forest fund (Excluding protected areas). The DFD reports to the Ministry of Ecology and natural Resources.	Will be responsible for overall project coordination and for project success to Government of Azerbaijan. During project preparation, DFD will Provide technical and logistical support and will be a project co-financier. In addition, it will contribute to assessing impact of the project and benefit from capacity building activities.
Ministry of Ecology and Natural Resources (MENR)	MENR is the national body that oversees DFD and so takes ultimate responsibility for Azeri forests and forestry.	Responsible for institutional guidance of the Project; During project preparation, MENR will be included as a member of the project's steering committee, ensuring country ownership. MENR will benefit from awareness raising and capacity building.
State Registration and Cadastre Section (SRCS) of DFD	A key unit in DFD that supports all FO in the planning and implementation and activities. Notably, SRCS supports the preparation of Forest Management Plans and related inventory work at the FO level.	A technical partner, will be involved during project preparation and implementation in the development of the national forest assessment. SRCS will benefit from capacity building, notably related to forest planning and forest monitoring and carbon.
Forestation and Reforestation Sector of DFD	A key unit in DFD in charge of rehabilitation, restoration and afforestation activities.	A technical partner in the development and implementation of many Project activities at the site level. During project preparation, this Sector will be involved in the selection of pilot sites and analysis of alternatives.
Forest Nursery and Seed Production Sector (DFD)	A key unit in DFD in charge of nurseries, seed and seedling production.	A technical partner in the development and implementation of nursery modernization
Forest conservation and reforestation Directorates (FCRD)		Four of the FCRDs will be operational partners at the site level; The same FCRDs will benefit greatly from capacity building and from Project outputs; All FCRDs will benefit from some capacity building, and possibly from upscaling.

Stakeholder	Mandate	Role/responsibility in Project
Qax, Agdas, Municipalities		During project preparation, representatives from the municipalities will be involved in the selection of pilot sites to ensure their impact is maximized and local communities truly own the project interventions. As with all FCRDs, these will benefit from some capacity building, and possibly from upscaling.
Scientific Research Institute of Forestry		A technical partner in the identification of SFM indicators and resource assessment. Will benefit from related capacity building, (including on financial, socio-economic and carbon related issues).
Division of Ecology and Nature Protection Policy, MENR		Will benefit from knowledge and data generated from Project on sustainable forest management, including data on forest biodiversity; Will benefit from some capacity building.
Department of Protection of Biodiversity and Development of Especially Protected Nature Reserves, MENR		Will benefit from data generated from Project on forest inventories. Will also benefit from some capacity building.
National Monitoring Department on Environment		May benefit from data generated by the Project. May also benefit from some capacity building
Academia and Universities		May provide scientific support and knowledge towards the development of new approaches and technologies; May be a beneficiary of improved information and some capacity building.
The Committee on Cartography and Land	Responsible for the rational use and protection of land, preservation and enhancement of soil fertility and land cadaster.	May benefit from data generated by the Project. May also benefit from some capacity building
Sustainable Development Research Centre, DIAM (NGO)		Will support SFM C&I implementation, therefore will be included during project design in the technical groups developing the relevant components. Will benefit from capacity building Potential Co-financer
HEYECAN (NGO)		Will support SFM C&I implementation, therefore will be included during project design in the technical groups developing the relevant components. Will benefit from capacity building Potential Co-financer

Stakeholder	Mandate	Role/responsibility in Project
Farmer Councils and Local Self-government communities		A potential co-financier; A potential technical and operational partner.
Azerbaijan TV	State Television company	Will support the communication strategy Potential co-financer

45. Although many different ethnic groups live in Azerbaijan, the population is highly homogeneous. Azerbaijani constitutes 91.6 % of the population. The ethnic minorities are Lezgian 2.02%, Armenian 1.35%, Russian 1.34%, Talys 1.26%. In 1996, the group known as Uzbeks constituted 80 percent of the population.

1.3.4 Expected global environmental and adaptation benefits

46. The Project will generate global environmental benefits in the Land Degradation as well as Climate Change focal areas, which will be underpinned by socio-economic benefits to local communities at the selected Project sites. Key benefits are summarized in the table below:

Table 5. Expected global environmental and socio-economic benefit

Global Environmental Benefits	
Indicator	**Target**
Land under integrated forest management plans (ha)[15]	22,100 ha
GHG emissions avoided or reduced (tons CO_2e)	3.158 million tons CO_{2e} over a 20 year capitalization phase [16] ; equivalent to 7.1 tons CO_{2e} per hectare per year Please see table 6 below for detailed analysis of GHG emissions reductions by type of intervention.
Socio-economic benefits	
Indicator	**Target**
Percent beneficiaries in pastoral forest systems improving their income	To be defined once project communities are selected
Improvement in incomes from INRM (disaggregated by gender)	20% over the long run

47. Under Component 2, the project will introduce improved forest management over 38,405 hectares and will invest in the restoration and rehabilitation of 300 ha and the reforestation or afforestation of further 300 hectares, with direct benefits in terms of carbon sequestration. In addition, co-financing resources allow for the restoration and rehabilitation of further 15,000 ha and the reforestation or afforestation of further 5,000 hectares of

[15] This indicator refers to areas under land use plans that take an INRM approach targeted by the project.
[16] According to the GEF CC-M Tracking tool, for LULUCF projects, lifetime length is defined to be 20 years, unless a different number of years is deemed appropriate.

degraded lands. The project will also create the conditions for upscaling, leading to direct and indirect benefits in terms of carbon sequestrated and avoided carbon emission.

48. Simulations using FAO's Ex-Ante Carbon Balance Tool (EX-ACT) show that over a 20 year period, project activities will avoid/capture roughly 3.16 million tons of CO_2 equivalent. Results are summarized below by type of intervention in the table below. Full results from the simulation are included in Appendix 6.

Table 6. GHG emission by type of intervention

Type of intervention	Area (ha)	Million tons CO_{2e} avoided
Demo areas		
Pastures	1,500 ha	0.09
Forests restored	300 ha	0.015
Aff/Reforestation	300 ha	0.0
Upscaling area		
Forests restored	15,000	0.73
Aff/Reforestation	5,000	2.26
Total area and avoided emissions	22,100	3.16

49. The project will also deliver benefits in terms of reversing land degradation. The proposed Project will address trees and forests mostly in production landscapes, making the linkages with carbon sequestration. Notably it will include: landscape regeneration through use of locally adaptive species, including agroforestry and farmer-managed natural regeneration; and SLM approaches to avoid deforestation and forest degradation in production landscapes - including practices for rehabilitation of degraded pastures.

1.4 LESSONS LEARNED

The project will build on FAO's experience on Forest Resource Assessment and will used recently developed technologies to monitor forest (and land) stocks.

1.5 STRATEGIC ALIGNMENT

1.5.1 Consistency with national development goals and policies

50. The project is fully consistent with national priorities. The Azerbaijan National Forestry Program (NFP) states that "*The government of Azerbaijan wishes to conserve and improve country's forest resources and strengthen the functions of forests with an increased importance over the country. The state forestry service seeks to ways on how the national forest management practices to harmonize easily and adaptable with the global forestry agenda towards the efforts for sustainable development of the country*." The project directly addresses this issue and aims to improve forest structure through rehabilitation and restoration activities. Multi-functional forest management planning will strengthen the functions of forests and national forest resource assessment will provide a platform towards adaptation to global forestry agenda.

51. The second paragraph of the NFP points out to insufficient stakeholder participation and intersectoral collaboration. The project will overcome this challenge through SFM C&I mechanism. Under the chapter 3.4 “Development of Forestry Planning and Monitoring” it is underlined that forest based inventory and data for the management and planning of forest resources is out of date. Under the chapter 3.6 “Improvement and expansion of forests areas” it is underlined that improvement and expansion of forest areas is prime objectives of Azerbaijan forestry. Under the title 4.1 “Policy Statement”: The 4th priority objective is “Forest areas and tree cover are significantly expanded through afforestation on suitable lands and restoration of degraded forest areas”. The 5th priority objective is “Forests are managed in line with integrated multipurpose management plans, elaborated based on reliable information and modern methodologies for forest resource inventory, and assessment”. The 6th priority objective “People of Azerbaijan are aware of the benefits of forests and actively involved in sustainable forest management”. (The project addresses this with SFM C&I and Communication Strategy). The 7th priority objective “Institutional capacity, financial mechanisms and regulatory (legal) framework for sustainable forest management are improved and strengthened.”

52. The “State Program on Poverty Reduction and Sustainable Development in the Republic of Azerbaijan for 2008-2015” is the principal instrument for addressing the main development challenges of the government of Azerbaijan. It aims to diversify revenue sources for the population, improve the ecological situation and ensure sustainable management of the natural resources.

53. The Order of the President of the Azerbaijan Republic (№ 1152, 2003), establishes the "National Program for Sustainable Socio-Economic Development in the Republic of Azerbaijan, 18 February 2003”” on environmental matters. The program underlines the restoration and protection of forests, planting of new forests and sustainable management of forests.

54. The National Energy Action Plan/Azerbaijan and State Program on Renewable and Alternative Sources of Energy for 2008–2015 addresses the utilization of renewable energy sources and energy savings techniques and, enhance co-operation on environmental issues.

1.5.2 Consistency with national communications and reports to U.N. Conventions

55. The project is consistent with the Second National Communication to the UNFCCC, which recognizes that forests play an important role in the improvement of the quality of soil, air and water, being the first carbon sink together with the agriculture sector. Similarly, the project is consistent with the country’s Intended Nationally Determined Contribution (INDC) to the UNFCCC,[17] where it commits to reducing the level of greenhouse gas emissions by 35% by 2030 compared to the base year (1990). In particular, under the Land Use, Land-Use Change, and Forestry (LULUCF) sector, the country commits to plant new forest areas, water and land protecting forest strips (windbreaks), urban and roadside greenery as well as further improve the management of pastures and agricultural lands.

56. Regarding the country’s commitments under the UNCCD, at the time of PRODOC preparation, the National Action Programme (NAP) aligned to the UNCCD’s 10 year strategy

[17] http://www4.unfccc.int/submissions/INDC/Published%20Documents/Azerbaijan/1/INDC%20Azerbaijan.pdf

has not been published. In addition, the country's report to the UNCCD lacks information on forests.[18] Nonetheless, the proposed project via the establishment of a forest monitoring system (component 1) will support the country in its efforts to report to the different conventions.

57. The project is consistent both with the country's Fifth National Report to the CBD[19] and the National Strategy of the Republic of Azerbaijan on Conservation and Sustainable Use of Biodiversity for 2017-2020 (NBSAP),[20] where forests play an important role in providing ecosystem services. During the period leading up to the preparation of the NBSAP, the country spent significant effort expanding the national forest coverage, greening urban areas, and rehabilitating the ecological functioning of degraded forests. Under the 2017-2020 NBSAP, forest activities show prominently under section 6.3 "Restoring and preserving biodiversity, ecosystems, and genetic diversity". In particular, the action plan targets the reduction of degradation by increasing management effectiveness of forest areas and wetlands (action 6.3.1.2). Similarly, action 6.3.1.6 states that the country will assess the current status of forest areas and produce maps, and under action 6.3.1.7, it will improve the effectiveness of forest and shrub land management by developing and implementing urgent measures to ensure natural restoration and conservation of rare species of biodiversity components and their sustainable use.

58. Regarding Aichi targets, the project will support the country in its efforts to achieve Strategic Goal B: Reduce the direct pressures on biodiversity and promote sustainable use, in particular Target 5: "By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced" and Target 7 "By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity".

1.5.3 Consistency with GEF focal area

59. The proposed project is aligned with Climate Change Objective 2 (CCM-2): Demonstrate systemic impacts of mitigation options/ Program 4: Promote conservation and enhancement of carbon stocks in forest, and other land use, and support climate smart agriculture. The proposed Project will introduce improved forest management over 38,405 hectares and will invest in the restoration of 300 ha and the rehabilitation of 300 ha, with direct benefits in terms of carbon sequestration. The project will also create the conditions for upscaling, leading to direct and indirect benefits in terms of carbon sequestrated and avoided carbon emission.

60. The project is also aligned with Land Degradation Objective 2: Generate sustainable flows of ecosystem services from forests, including in drylands (LD-2)/Program 3: Landscape Management and Restoration. The proposed Project will address trees and forests mostly in production landscapes, making the linkages with carbon sequestration. Notably it will include: landscape regeneration through use of locally adaptive species, including agroforestry and farmer-managed natural regeneration; and SLM approaches to avoid deforestation and forest degradation in production landscapes, including practices for sustainable supply of wood.

[18] Fourth UNCCD reporting cycle, 2010–2011 leg. Report as Affected Country Party. Azerbaijan. Region: Central and Eastern. see http://www.unccd-prais.com/Data/Reports.
[19] https://www.cbd.int/doc/world/az/az-nr-05-en.pdf
[20] https://www.cbd.int/doc/world/az/az-nbsap-v2-en.pdf

1.5.4 Consistency with FAO's Strategic Framework and Objectives

61. The project's expected results are consistent with FAO Strategic Objective 2 - Make agriculture, forestry and fisheries more productive and sustainable, along with Strategic Objective 3 - Reduce rural poverty. This project will contribute in particular to Output 2.1.1 "*Innovative practices for sustainable agricultural production are identified, assessed and disseminated and their adoption by stakeholders is facilitated"* by rehabilitating degraded forests using modern techniques. Moreover, the project is in line with Output 2.4.2 *"Methodologies, norms, standards, definitions and other tools for the collection, management, aggregation and analysis of data are formulated and disseminated"* by developing a methodological mechanism for data collection, assessment and reporting. The project will be also aligned with Output 3.1.3 "*Support to improve access of poor rural producers and household to appropriate technologies and knowledge, inputs and markets*" and Output 5.2.2 *"Improving capacities to undertake vulnerability/ resilience analysis"* considering that it will demonstrate income generating activities for local small farm holders in order to diversify income options and improve livelihood strategies by reducing pressure to nearby forests.

62. The project is also in line with country level priorities defined under the FAO Country Programming Framework (CPF) for Azerbaijan (2016-2020). This project is in line with Priority 6 *"Sustainable, equitable and efficient forestry, land and water resources management"* of the CPF for Azerbaijan. Through this project, FAO will assist the country in the sustainable management of forests and rehabilitation and restoration of degraded forest lands. This project is aligned in particular with Output 6.3.1 *"National capacities increased for the assessment of forest and tree resources and potential afforestation areas, combined with support delivered in forest restoration by forest nursery production and plantation techniques"* for the reason that it will operationalize a National Forest Assessment and monitoring system providing reliable and up to date information on forest resources. The project will also operationalize a geographic information system for forest assessment and monitoring. Finally, this project will increase the production capacity of nurseries in poor condition.

SECTION 2 – FEASIBILITY

2.1 ENVIRONMENTAL IMPACT EVALUATION

63. Annex 4 provides a full environmental and social screening of the project following FAO's Enrivonmental and Social Guidelines (ESMG). The table below presents a short summary of potential risks. Only those safeguards that have been triggered are included in the table below. The Environmental and Social Risk Mangement Plan is included in Appendix 5. A full Environmental and Social Analysis will be undertaken during project year 1 (PY1), once the specific project sites within the selected rayons are identified. In case of presence of indigenous peoples in the project sites, a full FPIC process will be constructed.

Table 6. Safeguards triggered by the proposed project

Safeguard	Risk level	Comment
3. Plant genetic resources for food and agriculture 3.2 Would this project provide seeds/planting material for cultivation? 3.4. Would this project establish or manage planted forests?	Low	While significant effort will be devoted to the development of a forest management system, and as discussed in the project activities (section 1.3.2) and Annexes 4 and 5, the project will work in pilot areas to recover degraded terrains and increase forest cover. This work will be done within the framework of local development plans and will adhere to existing national forest policies, forest programmes or strategies. The project will also adhere to FAO guidance regarding planted forests. This is: • The observance of principles 9, 10, 11 and 12 of the Voluntary Guidelines on Planted Forests suffice for indigenous forests but must be applied in full compliance with ESS 9- Indigenous People and Cultural Heritage. • Planners and managers must incorporate conservation of biological diversity as fundamental in their planning, management, utilization and monitoring of planted forest resources. In order to reduce the environmental risk, incidence and impact of abiotic and biotic damaging agents and to maintain and improve planted forest health and productivity, FAO will work together with stakeholders to develop and derive appropriate and efficient response options in planted forest management
7. Decent work Could this project affect the current or future employment situation of the rural poor, and in particular the labour productivity, employability, labour conditions and rights at	Low	The project will operate in areas where gender inequality in the labour market prevails. In particular, it is expected that women will play a key role in the development and implementation of management plans (Outputs 2.1.2 and 2.1.3) and the establishment and operation of the nursery (Output 2.3.1) and seed laboratories (output 2.3.2). The project will target women via its capacity development activities. The results will be used to increase employment opportunities for rural women by providing trainings and building new marketing channels. FAO will explore the possibilities to co-finance activities aimed at

work of self-employed rural producers and other rural workers?		reducing the domestic workload of women in order to facilitate their full participation

2.2 RISK MANAGEMENT

2.2.1 Risks and mitigation measures

Table 7. Project risks and proposed mitigation measures

Risk/Assumptions	Level	Management strategy
Government engagement in the Project at the highest level is insufficient to ensure mainstreaming, upscaling and replication. As a result, the enabling and institutional measures to be proposed by the Project will not be adopted.	Medium	The Project will have several strategies to mitigate this risk: (i) most of the work in the early years will be undertaken at the local level, so during this period time will be taken to advocate and build partnerships at high level government; (ii) the project will demonstrate the advantages of SFM in economic terms, which should attract high level government interest; (iii) the project will establish partners with many stakeholders and will create joint approaches to fostering high-level commitment.
The enabling legal and institutional framework is not sufficiently conducive to the Project Objectives, and is not modified/adopted in a timely way. The policy, legal and regulatory framework for forestry in Azerbaijan has changed in recent years, however, it still has several weaknesses, which may hinder achieving some of the Project Objectives.	Medium	The Project is designed so that most objectives can be reached through the site level, demonstration and pilot activities. However, some objectives (notably replication and upscaling) will require ultimately changes in the enabling framework. This situation will be monitored in a continuous manner by the Government and FAO, and strategic changes to the Project approach will be determined if necessary.
Financially sustainable models of forest management have not been identified/developed yet for Azerbaijan.	Medium	To a great extent, the forests cover can only be conserved and expanded if there are financial benefits. If mechanisms to generate the financial benefits are not established, forests in Azerbaijan will continue to be under threat, during and after the project is finished. In response, the Project will develop activities and strategies to foster financial sustainability – this is a main strategy of the Project.

Risk/Assumptions	Level	Management strategy
Climate change may lead to increased threats to forest, through fire, pests, diseases and changing climatic conditions (temperature, precipitation). Many of the forests are currently vulnerable to pests and diseases – these are two vectors that are likely to be exacerbated by the impacts of climate change.	Low	The time scale for climate change should mean that it does not significantly impact forests during the Project implementation. Further, the Project, by greatly increasing overall forest management capacity, should greatly contribute to climate change resilience in Azerbaijan.

2.2.2 Analysis of fiduciary risks and mitigation measures (only for OPIM projects)

64. Not applicable.

SECTION 3 – IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

3.1 INSTITUTIONAL ARRANGEMENTS

65. The Ministry of Ecology and Natural Resources will be the project lead implementing partner. It will be responsible for ensuring the overall coordination of the project implementation, as well as coordination and collaboration with partner institutions, local community organizations and other entities participating in the project.

66. FAO and the implementing partners will collaborate with the implementing agencies of other programs and projects in order to identify opportunities and mechanisms to facilitate synergies with other relevant GEF projects, as well as projects supported by other donors. This collaboration will include: (i) informal communications between GEF agencies and other partners in implementing programs and projects; and (ii) exchange of information and outreach materials between projects.

67. The project will develop mechanisms for collaboration with the following initiatives:

- UNDP-GEF # 4332 Sustainable Land and Forest Management in the Greater Caucasus Landscape. This project has developed a forest inventory system, together with guidelines and a field manual. The forest inventory has been completed in the project site (5,000 ha). The system uses the Corine land classification system. Project activities also included the establishemnt of a GIS training center at MENR and training of 15 people (including foresters). The project is currently initiating the development of two management plans for forests and pastures.In order to ensure the coordination between the two initiatives, a representative from the UNDP project may be invited to participate in the Project Steering Committee or an advisory committee.

3.2 IMPLEMENTATION ARRANGEMENTS

3.2.1 Structure of the project

68. The Food and Agriculture Organization (FAO) is the GEF agency responsible for monitoring and providing technical backstopping during project implementation. FAO's role and responsibilities is described in sub-section 3.2.2 below.

Project Steering Committee

69. For strategic project decisions a **Project Steering Committee** (PSC) will be established. The PSC will be comprised at least of Deputy Minister responsible for DFD and the FAO Representative in Azerbaijan; and will have the role of overseeing the project's planning and implementation. If necessary, other institutions may be invited by the DFD to participate in the PSC.

70. The PSC is a collegial advisory body and its main functions are: i) monitor and support the PIU for the successful implementation of project's components; ii) coordinate and manage, through institutional means, in kind and/or in cash contribution agreed by each participating institution of the project, as well as other funding sources; iii) review and agree

on the project's strategy and methodology as submitted by the PIU, as well as changes and modifications as a result of its application in the field; iv) convene and organize meetings with the various national and regional participants in the project; and v) promote agreements and other forms of collaborations with national and international organizations. The PSC will endorse annual work plans and budgets (AWP/B), and progress reports prepared by the Project Implementation Unit and FAO.

Project Implementation Unit

71. A **Project Implementation Unit (PIU)** will be created, and comprised of (i) a National Project Director; (ii) a Project Technical Team led by a National Technical Coordinator, and including technical staff located at the project sites; and (iii) a Project Administrative Team lead by a National Operations Officer, assisted by a Procurement associate and a Finance associate.

72. The Government of Azerbaijan will designate a **National Project Director (NPD)**. The NPD will be a government staff and will have the responsibility of supervising and guiding the Project team with regard to national policies and priorities. He/she will also be responsible for coordinating the activities with all institutional bodies related to the different project components, as well as with the project partners. He/she will be responsible for requesting FAO the timely disbursement of GEF resources that will allow the execution of project activities, in strict accordance with the Project Budget and the approved Annual Work Plan and Budget (AWP/B) for the current project year.

73. The **Project Technical Team (PTT)** will be funded by GEF resources. The main function of the PT, following the guidelines of the Project Steering Committee, is to ensure the coordination and execution of the project through the effective implementation of the annual work plans and budgets (AWP/Bs). It will be composed of a National Technical Coordinator and technical experts at the project sites.

74. The **National Technical Coordinator (NTC)** will be in charge of daily project management and technical supervision including: (i) coordinating and closely monitoring the implementation of project activities; (ii) day-to-day management; (iii) coordination with related initiatives; (iv) ensuring a high level of collaboration among participating institutions and organizations at the national and local levels; (v) tracking the project's progress and ensuring timely delivery of inputs and outputs; (vi) implementing and managing the project's monitoring and communications plans; (vii) organizing annual project workshops and meetings to monitor progress and preparing the Annual Budget and Work Plan (AWP/B); vii) submitting the PPR with the AWP/B to the Project Steering Committee and FAO; (viii) acting as Secretary of the Project Steering Committee; and ix) preparing the PIR, and supporting the organization of the mid-term review and final evaluation. Likewise, under FAO rules and procedures and in conformity with this project document and the AWP/B, the NTC will identify expenses and disbursements that should be requested to FAO for the timely execution of the project. The NTC will monitor, provide technical support and assess the reports and outputs of the project's national consultants (financed by GEF funds).

75. The **National Operations Officer,** the **Procurement associate** and the **Finance associate** are responsible for the financial management and day-to-day operations of the project, including addressing purchase contracts and other necessary inputs according to the approved budget and annual work plans. The Officers will work in close consultation with the

NPD, NTC, Budget Holder (BH, see below), the Lead Technical Officer (LTO, see below) and implementing partners of the project, particularly the FAO Representation in Azerbaijan and will be responsible for the timely delivery of inputs needed to produce results.

3.2.2 FAO's roles and responsibilities

FAO's role in the project governance structure

76. FAO will be the the GEF Agency of the Project as well as the financial and operational executing agency. As financial and operational executing agency, FAO will provide procurement services and financial management services for GEF resources. As the GEF Agency, FAO will supervise and provide technical guidance for the overall implementation of the project. The administration of GEF grants will be in accordance with FAO rules and procedures and in accordance with the agreement between FAO and the GEF Trustee. As the GEF agency for the project, FAO will:

- Administer GEF funds in accordance with FAO rules and procedures;
- Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers and the rules and procedures of FAO;
- Provide technical guidance to ensure that appropriate technical quality is applied to all activities concerned;
- Conduct at least one supervision mission per year; and
- Report to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, on project progress and provide financial reports to the GEF Trustee.

77. At the request of the Government of Azerbaijan, FAO will also be executing agency of GEF resources, including financial management, procurement of goods and contracting of services, according to FAO rules and procedures. As financial executor, FAO will provide to the Project Steering Committee semi-annual reports including a financial statement of project expenditures.

78. In accordance with the present Project Document and the AWP/B(s) approved by the PSC, FAO will prepare budget revisions to maintain the budget updated in the financial management system of FAO and will provide this information to the PSC to facilitate the planning and implemementation of project activities. In collaboration with the PCU and the PSC, FAO will participate in the planning of contracting and procurement processes. FAO will process due payments for delivery of goods, services and products upon request of the PCU and based on the AWP/B and Procurement Plans that will be annually approved by the PSC.

FAO's roles in internal organization

79. The roles and responsibilities of FAO staff are regulated by the *FAO Guide to the Project Cycle, Quality for Results, 2015*, Annex 4: Roles and Responsibilities of the Project Task Force Members, and its updates.

80. The FAO Representative in Azerbaijan will be the **Budget Holder** (BH) and will be responsible for the management of GEF resources. As a first step in the implementation of the

project, the FAO Representation in Azerbaijan will establish an interdisciplinary Project Task Force (PTF) within FAO, to guide the implementation of the project.

81. The PTF is a management and consultative body that integrate the necessary technical qualifications from the FAO relevant units to support the project. The PTM is composed of a Budget Holder, a Lead Technical Officer (LTO), the Funding Liaison Officer (FLO) and one or more technical officers based on FAO Headquaters (HQ Technical Officer).

82. In consultation with the LTO, the FAO Representative in Azerbaijan will be responsible for timely operational, administrative and financial management of the GEF project resources, including in particular: (1) the acquisition of goods and contracting of services for the activities of the project, according to FAO's rules and procedures, in accordance with the approved AWP/B; (2) process the payments corresponding to delivery of goods, services and technical products in consultation with the PSC; (3) provide six-monthly financial reports including a statement of project expenditures to the PSC; and (4) at least once a year, or more frequently if required, prepare budget revisions for submission to the FAO-GEF Coordination Unit through the Field Programme Management Information System (FPMIS) of FAO.

83. The FAO Representative in Azerbaijan, in accordance with the PTF, will give its non-objection to the AWP/Bs submitted by the PCU as well as the Project Progress Reports (PPRs). PPRs may be commented by the PTF and should be approved by the LTO before being uploaded by the BH in FPMIS.

84. The **Lead Technical Officer (LTO**) for the project will be the Forestry Officer in the FAO Subregional Office for Central Asia (FAOSEC). The role of the LTO is central to FAO's comparative advantage for projects. The LTO will oversee and carry out technical backstopping to the project implementation. The LTO will support the BH in the implementation and monitoring of the AWP/Bs, including work plan and budget revisions. The LTO is responsible and accountable for providing or obtaining technical clearance of technical inputs and services procured by the Organization.

85. In addition, the LTO will provide technical backstopping to the PT to ensure the delivery of quality technical outputs. The LTO will coordinate the provision of appropriate technical support from PTF to respond to requests from the PSC. The LTO will be responsible for:

- Review and give no-objection to TORs for consultancies and contracts to be performed under the project, and to CVs and technical proposals short-listed by the PCU for key project positions, goods, minor works, and services to be financed by GEF resources;
- Supported by the FAO Representation in Azerbaijan, review and clear final technical products delivered by consultants and contract holders financed by GEF resources before the final payment can be processed;
- Assist with review and provision of technical comments to draft technical products/reports during project execution;
- Review and approve project progress reports submitted by the NTC, in cooperation with the BH;
- Support the FAO Representative in examining, reviewing and giving no-objection to AWP/B submitted by the NTC, for their approval by the Project Steering Committee;

- Ensure the technical quality of the six-monthly Project Progress Reports (PPRs). The PPRs will be prepared by the NTC, with inputs from the PT. The BH will submit the PPR to the FAO/GEF Coordination Unit for comments, and the LTO for technical clearance. The PPRs will be submitted to the PSC for approval twice a year. The BH will upload the approved PPR to FPMIS.
- Supervise the preparation and ensure the technical quality of the annual PIR. The PIR will be drafted by the NTC, with inputs from the PT. The PIR will be submitted to the BH and the FAO-GEF Coordination Unit for approval and finalization. The FAO/GEF Coordination Unit will submit the PIRs to the GEF Secretariat and the GEF Evaluation Office, as part of the Annual Monitoring Review report of the FAO-GEF portfolio. The LTO must ensure that the NTC and the PT have provided information on the co-financing provided during the year for inclusion in the PIR;
- Conduct annual (or as needed) supervision missions;
- Review the TORs for the mid-term review, participate in the the mid-term workshop with all key project stakeholders, development of an eventual agreed adjustment plan in project execution approach, and supervise its implementation; and
- Review the TORs for the final evaluation; participate in the mission including the final workshop with all key project stakeholders, development and follow-up to recommendations on how to insure sustainability of project outputs and results after the end of the project.

86. The **HQ Officer** is a member of the PTF, as a mandatory requirement of the FAO Guide to the Project Cycle. The HQ Officer has most relevant technical expertise - within FAO technical departments - related to the thematic of the project. The HQ Technical Officer will provide effective functional advice to the LTO to ensure adherence to FAO corporate technical standards during project implementation, in particular:

- Supports the LTO in monitoring and reporting on implementation of environmental and social commitment plans for moderate projects. The HQ officer will support the LTO in monitoring and reporting the identified risks and mitigation measures (Appendix 4) in close coordination with the project partners.
- Provides technical backstopping for the project work plan.
- Clears technical reports, contributes to and oversees the quality of Project Progress Report(s) (PPRs – see Section 3.5).
- May be requested to support the LTO and PTF for implementation and monitoring.
- Supports the LTO and BH in producing the first darft TOR of the Evaluation team in for the Final Evaluation, review the composition of the evaluation team and support the evaluation function.

87. The FAO-GEF Coordination Unit will act as **Funding Liaison Officer (FLO).** The FAO/GEF Coordination Unit will review the PPRs and financial reports, and will review and approve budget revisions based on the approved Project Budget and AWP/Bs. This FAO/GEF Coordination Unit will review and provide a rating in the annual PIR(s) and will undertake supervision missions as necessary. The PIRs will be included in the FAO GEF Annual Monitoring Review submitted to GEF by the FAO GEF Coordination Unit. The FAO GEF Coordination Unit may also participate in the mid-term review and final evaluation, and in the development of corrective actions in the project implementation strategy if needed to mitigate eventual risks affecting the timely and effective implementation of the project. The FAO GEF Coordination Unit will in collaboration with the FAO Finance Division request transfer of project funds from the GEF Trustee based on six-monthly projections of funds needed.

88. The FAO Financial Division will provide annual Financial Reports to the GEF Trustee and, in collaboration with the FAO-GEF Coordination Unit, request project funds on a six-monthly basis to the GEF Trustee.

3.3 PLANNING AND FINANCIAL MANAGEMENT

3.3.1 Financial plan (by components, outcome and co-financiers)

Table 3.2: Financial plan (by components, outcome and co-financier).

Component/Outcome	Co-financing by source				GEF Trust Fund		Total Funding
	MENR	FAO	Total Co-financing	% Co-financing	GEF	% GEF	
Component 1: Forest Resource Information Management System							
1.1 A methodological mechanism for data collection, assessment and reporting developed	150,000	100,000	**250,000**	91%	**25,500**	9%	**275,500**
1.2 An operational National forest Assessment and Monitoring system	150,000	100,000	**250,000**	58%	**181,330**	42%	**431,330**
Subtotal component 1	**300,000**	**200,000**	**500,000**	**71%**	**206,830**	**29%**	**706,830**
Component 2: Multifunctional forest management leading to carbon sequestration, improvement in forest and tree resources and their contribution to local livelihoods							
2.1 Improved forest management planning in 2 pilot areas	900,000	50,000	**950,000**	93%	**74,500**	7%	**1,024,500**
2.2 Income generating activities for local small farm holders demonstrated	700,000	150,000	**850,000**	97%	**30,000**	3%	**880,000**
2.3 Carbon stocks enhanced in degraded and deforested Forest Fund land	3,500,000	250,000	**3,750,000**	81%	**856,000**	19%	**4,606,000**
Subtotal component 2	**5,100,000**	**450,000**	**5,550,000**	**85%**	**960,500**	**15%**	**6,510,500**
Component 3: Monitoring, evaluation and knowledge-sharing							
Outcome 3.1 Project implementation based on RBM	50,000	50,000	**100,000**	56%	**79,985**	44%	**179,985**
Outcome 3.2 Sustainability and upscale SFM ensured through provision of up to date information on forest resources and their trend and dissemination of lesssons learned and good practices	250,000	150,000	**400,000**	80%	**102,000**	20%	**502,000**
Subtotal component 3	**300,000**	**200,000**	**500,000**	**73%**	**181,985**	**27%**	**681,985**
Project Management	300,000	150,000	**450,000**	77%	**134,932**	23%	**584,932**
Total Funding	**6,000,000**	**1,000,000**	**7,000,000**	**83%**	**1,484,247**	**17%**	**8,484,247**

Table 3.3 Confirmed sources of co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (USD)
Recipient government	Ministry of Ecology and Natural Resources	In-kind	2,500,000
Recipient government	Ministry of Ecology and Natural Resources	Grant	3,500,000
GEF Agency	GEF Agency	Grant	1,000,000
Total Co-financing			7,000,000

3.3.2 GEF Contribution

89. The GEF funds will finance inputs needed to generate the outputs and outcomes under the Project. These include: (i) local and international consultants to support capacity building in forest management, as well as strengthening of local livelihoods and mainstreaming of gender in project activities, and project M&E; (ii) technical support to upscale carbon stock enhangement (iii) support to information and knowledge management; (vi) LoA/contracts with technical institutions and service providers supporting the delivery of specific project activities on the ground; (v) international flights and local transport and minor office equipment; and (vi) training and awareness raising material. Total GEF funding to the Project amounts to US$1,484,247.

3.3.3 Government Contribution

90. The Forestry Department of the Ministry of Ecology and Natural Resources of Azerbaijan will contribute with USD 6 million in co-financing to support project activities. These include USD 3.5 million in cash from the state's forest afforestation/rehabilitation program (Component 2), operational costs for the seed laboratory and Nursery in Shemkir (USD 700,000) to be implemented under component 2, State funding for developing forest management plans (USD 400,000), as well as staff time both at the central and local forest directorates to develop and implemente the forest monitoring system (Component 1), develop multifunctional forest management plans (Component 2), support reforestation/rehabilitation efforts (Component 2), and support project implementation in accordance to RBM principles. (Component 3).

3.3.4 FAO Contribution

91. FAO's support will be provided in the form of Technical Staff as well as USD 1,000,000 from programs currently under implementation in Azerbaijan. This includes USD 400,000 for technical support and capacity-building for afforestation and forest restoration works, including forest nursery production and plantation techniques and assessment of

potential afforestation areas; USD 300,000 for the introduction and application of forest management certification systems; and USD 300,000 for enhancing forest carbon.

3.3.5 Inputs from other co-financiers

92. Not applicable

3.3.6 Financial management and reporting on GEF resources

93. Financial management and reporting in relation to the GEF resources will be carried out in accordance with FAO's rules and procedures, and in accordance with the agreement between FAO and the GEF Trustee. On the basis of the activities foreseen in the budget and the project, FAO will undertake all operations for disbursements, procurement and contracting for the total amount of GEF resources.

Financial records

94. FAO shall maintain a separate account in United States dollars for the Project's GEF resources showing all income and expenditures. Expenditures incurred in a currency other than United States dollars shall be converted into United States dollars at the United Nations operational rate of exchange on the date of the transaction. FAO shall administer the Project in accordance with its regulations, rules and directives.

Financial reports

95. The BH shall prepare six-monthly project expenditure accounts and final accounts for the project, showing amount budgeted for the year, amount expended since the beginning of the year, and separately, the un-liquidated obligations as follows:

- Details of project expenditures on outcome-by-outcome basis, reported in line with Project Budget (Appendix 3 of this Project document), as at 30 June and 31 December each year.
- Final accounts on completion of the Project on a component-by-component and outcome-by-outcome basis, reported in line with the Project Budget (Appendix 3 of this Project Document).
- A final statement of account in line with FAO Oracle Project budget codes, reflecting actual final expenditures under the Project, when all obligations have been liquidated.

Financial statements

96. Within 30 working days of the end of each semester, the FAO Representation in Azerbaijan shall submit six-monthly statements of expenditure of GEF resources, to present to the Liaison Committees and the Project Steering Committee. The purpose of the financial statement is to list the expenditures incurred on the project on a six monthly basis compared to the budget, so as to monitor project progress and to reconcile outstanding advances during the six-month period. The financial statement shall contain information that will serve as the basis for a periodic revision of the budget.

97. The BH will submit the above financial reports for review and monitoring by the LTO and the FAO GEF Coordination Unit. Financial reports for submission to the donor (GEF) will be prepared in accordance with the provisions in the GEF Financial Procedures Agreement and submitted by the FAO Finance Division.

Responsibility for cost overruns

98. The BH shall utilize the GEF project funds in strict compliance with the Project Budget (Appendix 3) and the approved AWP/Bs. The BH can make variations provided that the total allocated for each budgeted project component is not exceeded and the reallocation of funds does not impact the achievement of any project output as per the project Results Framework (Appendix 1). At least once a year, the BH will submit a budget revision for approval of the LTO and the FAO/GEF Coordination Unit through FPMIS. Cost overruns shall be the sole responsibility of the BH.

Audit

99. The Project shall be subject to the internal and external auditing procedures provided for in FAO financial regulations, rules and directives and in keeping with the Financial Procedures Agreement between the GEF Trustee and FAO.

100. The audit regime at FAO consists of an external audit provided by the Auditor-General (or persons exercising an equivalent function) of a member nation appointed by the Governing Bodies of the Organization and reporting directly to them, and an internal audit function headed by the FAO Inspector-General who reports directly to the Director-General. This function operates as an integral part of the Organization under policies established by senior management, and furthermore has a reporting line to the governing bodies. Both functions are required under the Basic Texts of FAO which establish a framework for the terms of reference of each. Internal audits of imprest accounts, records, bank reconciliation and asset verification take place at FAO field and liaison offices on a cyclical basis.

3.4 PROCUREMENT

101. At the request of the Government of Azerbaijan, FAO will procure the equipment and services foreseen in the budget (Appendix 3) and the AWP/Bs, in accordance with FAO rules and procedures.

102. Careful procurement planning is necessary for securing goods, services and works in a timely manner, on a "Best Value for Money" basis, and in accordance with the Rules and Regulations of FAO. It requires analysis of needs and constraints, including forecast of the reasonable timeframe required to execute the procurement process. Procurement and delivery of inputs in technical cooperation projects follow FAO's rules and regulations for the procurement of supplies, equipment and services (i.e. Manual Sections 502 and 507). Manual Section 502: "Procurement of Goods, Works and Services" establishes the principles and procedures that apply to procurement of all goods, works and services on behalf of the Organization, in all offices and in all locations, with the exception of the procurement actions described in Appendix A – Procurement Not Governed by Manual Section 502. Manual Section 507 establishes the principles and rules that govern the use of Letters of Agreement (LoA) by FAO for the timely acquisition of services from eligible entities in a transparent and

impartial manner, taking into consideration economy and efficiency to achieve an optimum combination of expected whole life costs and benefits ("Best Value for Money").

103. The FAO Representative will prepare an annual procurement plan for major items which will be the basis of requests for procurement actions during implementation. The plan will include a description of the goods, works, or services to be procured, estimated budget and source of funding, schedule of procurement activities and proposed method of procurement. In situations where exact information is not yet available, the procurement plan should at least contain reasonable projections that will be corrected as information becomes available.

104. Before commencing procurement, the NTC will update the project´s Procurement Plan (Appendix 5) for approval by the Project Steering Committee. This plan will be reviewed during the inception workshop and will be approved by the FAO Representative in Azerbaijan. The PC will update the Plan every six months and submit the plan to the FAO Representative in Azerbaijan for approval.

3.5 MONITORING AND REPORTING

105. The monitoring and evaluation of progress in achieving the results and objectives of the project will be based on targets and indicators in the Project Results Framework (Appendix 1 and descriptions in sub-section 1.3.2). Project monitoring and the evaluation activities are budgeted at USD 64,550 (see Table 3.4). Monitoring and evaluation activities will follow FAO and GEF policies and guidelines for monitoring and evaluation. The monitoring and evaluation system will also facilitate learning and replication of the project's results and lessons in relation to the integrated management of natural resources.

3.5.1 Oversight and monitoring responsibilities

106. The monitoring and evaluation roles and responsibilities specifically described in the Monitoring and Evaluation table (see Table 3.4 below) will be undertaken through: (i) day-to-day monitoring and project progress supervision missions (PCU); (ii) technical monitoring of indicators to measure a reduction in land degradation (PCU and LTA in coordination with partners); (iii) mid-term review and final evaluation (independent consultants and FAO Evaluation Office); and (v) monitoring and supervision missions (FAO).

107. At the beginning of the implementation of the GEF project, the PCU will establish a system to monitor the project's progress. Participatory mechanisms and methodologies to support the monitoring and evaluation of performance indicators and outputs will be developed. During the project inception workshop (see section 3.5.3 below), the tasks of monitoring and evaluation will include: (i) presentation and explanation (if needed) of the project's Results Framework with all project stakeholders; (ii) review of monitoring and evaluation indicators and their baselines; (iii) preparation of draft clauses that will be required for inclusion in consultant contracts, to ensure compliance with the monitoring and evaluation reporting functions (if applicable); and (iv) clarification of the division of monitoring and evaluation tasks among the different stakeholders in the project. The M&E Expert (see TORs in Appendix 6) will prepare a draft monitoring and evaluation matrix that will be discussed and agreed upon by all stakeholders during the inception workshop. The **M&E matrix** will be

a management tool for the NTC, the Regional Project coordinators, and the Project Partners to: i) six-monthly monitor the achievement of output indicators; ii) annually monitor the achievement of outcome indicators; iii) clearly define responsibilities and verification means; iv) select a method to process the indicators and data.

108. The **M&E Plan** will be prepared by the M&E Expert in the three first months of the PY1 and validated with the PSC. The M&E Plan will be based on the M&E Table 3.4 and the M&E Matrix and will include: i) the updated results framework, with clear indicators per year; ii) updated baseline, if needed, and selected tools for data collection (including sample definition); iii) narrative of the monitoring strategy, including roles and responsibilities for data collection and processing, reporting flows, monitoring matrix, and brief analysis of who, when and how will each indicator be measured. Responsibility of project activities may or may not coincide with data collection responsibility; iv) updated implementation arrangements, if needed; v) inclusion of the tracking tool indicators, data collection and monitoring strategy to be included in the mid-term review and final evaluation; vi) calendar of evaluation workshops, including self-evaluation techniques.

109. The day-to-day monitoring of the project's implementation will be the responsibility of the NTC and will be driven by the preparation and implementation of an AWP/B followed up through six-monthly PPRs. The preparation of the AWP/B and six-monthly PPRs will represent the product of a unified planning process between main project stakeholders. As tools for results-based-management (RBM), the AWP/B will identify the actions proposed for the coming project year and provide the necessary details on output and outcome targets to be achieved, and the PPRs will report on the monitoring of the implementation of actions and the achievement of output and outcome targets. Specific inputs to the AWP/B and the PPRs will be prepared based on participatory planning and progress review with all stakeholders and coordinated and facilitated through project planning and progress review workshops.These contributions will be consolidated by the NTC in the draft AWP/B and the PPRs.

110. An annual project progress review and planning meeting should be held with the participation of the project partners to finalize the AWP/B and the PPRs. Once finalized, the AWP/B and the PPRs will be submitted to the FAO LTO for technical clearance, and to the Project Steering Committee for revision and approval. The AWP/B will be developed in a manner consistent with the Project Results Framework to ensure adequate fulfillment and monitoring of project outputs and outcomes.

111. Following the approval of the Project, the PY1 AWP/B will be adjusted (either reduced or expanded in time) to synchronize it with the annual reporting calendar. In subsequent years, the AWP/Bs will follow an annual preparation and reporting cycle as specified in section 3.5.3 below.

3.5.2 Indicators and sources of information

Project indicators and sources of information are described in detialin appendix 1, Results Framework.

3.5.3 Reporting schedule

112. Specific reports that will be prepared under the monitoring and evaluation program are: (i) Project inception report; (ii) Annual Work Plan and Budget (AWP/B); (iii) Project

Progress Reports (PPRs); (iv) Annual Project Implementation Review (PIR); (v) Technical reports; (vi) Co-financing reports; and (vii) Terminal Report. In addition, the GEF tracking tools for land degradation and climate change mitigation will be updated during project midterm and closure and will be used to compare progress with the baseline established during project preparation.

113. **Project Inception Report.** After FAO internal approval of the project an inception workshop will be held. Immediately after the workshop, the NTC will prepare a project inception report in consultation with the FAO Representation in Azerbaijan and other project partners. The report will include a narrative on the institutional roles and responsibilities and coordinating action of project partners, progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. It will also include a detailed first year AWP/B and the M&E Matrix (see above). The draft inception report will be circulated to FAO, the PSC, the Liaison Committee and the federal entities for review and comments before its finalization, no later than three months after project start-up. The report will be cleared by the FAO BH, LTO and the FAO/GEF Coordination Unit. The BH will upload it in FPMIS.

114. **Annual Work Plan and Budget(s) (AWP/Bs)**. The NTC will present a draft AWP/B to the PSC no later than 10 December of each year. The AWP/B should include detailed activities to be implemented by project outcomes and outputs and divided into monthly timeframes and targets and milestone dates for output and outcome indicators to be achieved during the year. A detailed project budget for the activities to be implemented during the year should also be included together with all monitoring and supervision activities required during the year. The FAO Representation in Azerbaijan will circulate the draft AWP/B to the FAO Project Task Force and will consolidate and submit FAO comments. The AWP/B will be reviewed by the PSC and the PCU will incorporate any comments. The final AWP/B will be sent to the PSC for approval and to FAO for final no-objection. The BH will upload the AWP/Bs in FPMIS.

115. **Project Progress Reports (PPR).** The PPRs are used to identify constraints, problems or bottlenecks that impede timely implementation and take appropriate remedial action. PPRs will be prepared based on the systematic monitoring of output and outcome indicators identified in the Project Results Framework (Appendix 1), AWP/B and M&E Plan. Each semester the National Technical Coordinator (NTC) will prepare a draft PPR, and will collect and consolidate any comments from the FAO PTF. The NTC will submit the final PPRs to the FAO Representative in Azerbaijan every six months, prior to 10 June (covering the period between January and June) and before 10 December (covering the period between July and December). The July-December report should be accompanied by the updated AWP/B for the following Project Year (PY) for review and no-objection by the FAO PTF. The Budget Holder has the responsibility to coordinate the preparation and finalization of the PPR, in consultation with the PMU, LTO and the FLO. After LTO, BH and FLO clearance, the FLO will ensure that project progress reports are uploaded in FPMIS in a timely manner.

116. **Annual Project Implementation Review (PIR)**. The NTC, under the supervision of the LTO and BH and in coordination with the national project partners, will prepare a draft annual PIR report[21] covering the period July (the previous year) through June (current year) no later than July 1st every year. The LTO will finalize the PIR and will submit it to the FAO-

[21] Prior to the preparation of the PIR report, the FAO-GEF Coordination Unit will provide the updated format as every year some new requirements may come from the GEF.

GEF Coordination Unit for review by July 10th. The FAO-GEF Coordination Unit, the LTO, and the BH will discuss the PIR and the ratings[22]. The LTO is responsible for conducting the final review and providing the technical clearance to the PIR(s). The LTO will submit the final version of the PIR to the FAO-GEF Coordination Unit for final approval. The FAO-GEF Coordination Unit will then submit the PIR(s) to the GEF Secretariat and the GEF Independent Evaluation Office as part of the Annual Monitoring Review of the FAO-GEF portfolio. The PIR will be uploaded to FPMIS by the FAO-GEF Coordination Unit.

117. **Technical reports**. The technical reports will be prepared as part of the project outputs and will document and disseminate lessons learned. Drafts of all technical reports must be submitted by the Project Coordinator to the PSC and FAO Representation in Azerbaijan, which in turn will be shared with the LTO for review and approval and to the FAO-GEF Coordination Unit for information and comments before finalization and publication. Copies of the technical reports will be distributed to the Liaison Committee and the PSC and other project stakeholders, as appropriate. These reports will be uploaded in FAO FPMIS by the BH.

118. **Co-financing reports**. The NTC will be responsible for collecting the required information and reporting on in-kind and cash co-financing provided by all the project cofinanciers and eventual other new partners not foreseen in the Project Document. Every year, the NTC will submit the report to the FAO Representation in Azerbaijan before July 10th covering the period July (the previous year) through June (current year). This information will be used in the PIRs.

119. **GEF Land Degradation Tracking Tool**. In compliance with GEF policies and procedures, tracking tools for the Land Degradation (LD-1) and Climate change Mitigation (CCM-7) focal areas should be sent to the GEF Secretariat in three stages: (i) with the project approval document by the GEF Executive Director; (ii) with the mid-term review of the project; and (iii) with the final evaluation of the project.

120. **Final Report**. Within two months prior to the project's completion date, the Project Technical Coordinator will submit to the PSC and FAO Representation in Azerbaijan a draft final report. The main purpose of the final report is to give guidance to authorities (ministerial or senior government level) on the policy decisions required for the follow-up of the Project, and to provide the donor with information on how the funds were utilized. Therefore, the terminal report is a concise account of the main **products, results, conclusions and recommendations** of the Project, without unnecessary background, narrative or technical details. The target readership consists of persons who are not necessarily technical specialists but who need to understand the policy implications of technical findings and needs for ensuring sustainability of project results. Work is assessed, lessons learned are summarized, and recommendations are expressed in terms of their application to the integrated landscape management in the three microregions in the context of the development priorities at national and departmental levels, as well as in practical execution terms. This report will specifically include the findings of the final evaluation as described in section 3.6 below. A project evaluation meeting will be held to discuss the draft final report with the PSC and the Project Liaison Committee before completion by the Coordinator and approval by the BH, LTO, and FAO-GEF Coordination Unit.

[22] The NPC, the BH, the LTO and the FAO/GEF Coordination Unit should assign ratings to the PIR every year. The ratings can or cannot coincide among the project managers.

3.5.4 Monitoring and Evaluation summary

121. Table 3.4 summarizes the main monitoring and evaluation reports, parties responsible for their publication and time frames.

Table 3.4. Summary of main monitoring and evaluation activities

M&E Activity	Responsible parties	Time frame/ Periodicity	Budget
Inception workshop	NTC; FAOAZ (with support from the LTO, and FAO-GEF Coordination Unit)	Within two months of project start up	USD 9,000
Project Inception report	NTC, Expert M&E and FAOAZ with clearance by the LTO, BH and FAO-GEF Coordination Unit	Immediately after the workshop	To be prepared by PIU
Field-based impact monitoring	NTC; project partners, local organizations	Continuous	USD 7,000 (10% of the Project's Technical Coordinator and Operations Manager's time, technical workshops to identify indicators, monitoring and evaluation workshops)
Supervision visits and rating of progress in PPRs and PIRs	PC; FAO (FAOAZ, LTO). FAO-GEF Coordination Unit may participate in the visits if needed.	Annual, or as needed	FAO visits will be borne by GEF agency fees Project Coordination visits shall be borne by the project's travel budget
Project Progress Reports (PPRs)	PC, with stakeholder contributions and other participating institutions	Six-monthly	USD 1,500 (3.5% of the Project Coordinator's time)
Project Implementation Review (PIR)	Drafted by the NTC, with the supervision of the LTO and BH. Approved and submitted to GEF by the FAO-GEF Coordination Unit	Annual	FAO staff time financed though GEF agency fees. PCU time covered by the project budget.
Co-financing reports	PC with input from other co-financiers	Annual	USD 500 (1% of the Coordinator's time)
Technical reports	PC, FAO (LTO, FAOAZ)	As needed	
Mid-term review	FAOAZ, External consultant, in consultation with the project team, including the FAO-GEF Coordination Unit and others	Midway through the project implementation period	USD by an external consultancy
Final evaluation	External consultant, FAO Independent Evaluation Unit in consultation with the project team, including the FAO-GEF Coordination Unit and others	At the end of the project	USD 40,000 by an external consultancy. FAO staff time and travel costs will be financed by GEF agency fees.
Terminal Report	PC; FAO (FAOAZ, LTO,	Two months prior	USD 6,550

M&E Activity	Responsible parties	Time frame/ Periodicity	Budget
	FAO-GEF Coordination Unit, TCS Reporting Unit)	to the end of the project.	
Total budget			**USD 64,550**

3.6 EVALUATION PROVISIONS

122. Given the nature of the project and its short duration, a **Mid-Term Review** (MTR) / **Mid-Term Evaluation (MTE**) will not be carried out. Instead, the PSC is expected to provide sufficient guidance to the project team.

123. An independent **Final Evaluation (FE)** will be carried out three months prior to the project's closing date. The FE will aim to identify the project impacts, sustainability of project outcomes and the degree of achievement of long-term results. The FE will also have the purpose of indicating future actions needed to expand on the existing Project in subsequent phases, mainstream and up-scale its products and practices, and disseminate information to management authorities and institutions with responsibilities in food security, conservation and sustainable use of natural resources, small-scale farmer agricultural production and ecosystem conservation to assure continuity of the processes initiated by the Project. The FE will pay special attention to outcome indicators and will be aligned with the GEF Tracking tools (LD and CCM focal areas).

3.7 COMUNICATION AND VISIBILITY

124. Given the innovative nature of the Project in Azerbaijan and in the Central Asia region, knowledge management is a key part of the Project strategy. The knowledge management activities are planned from the onset and are to start early in the Project life. The knowledge management activities will support the replication and upscaling in Azerbaijan. Knowledge management will also feed into planning and decision making in neighbouring countries in Central Asia.

125. Under Outcome 1 and 2, the proposed Project helps to establish the SFM C&I mechanism and forest resource assessment and monitoring system that would be the basis for knowledge and knowledge management related to forestry. This will systematically generate knowledge related mostly to GHG emissions and factors, but also contribute to knowledge and data bases related to biodiversity and land management.

126. Under Outcome 7, the proposed Project will establish tools and mechanisms to systematically collect data, to document lessons learnt, to validate technical options, and to share lessons to national, regional and international partners. This will be done in close connection to Project monitoring and evaluation and to the Project communications strategy. This will lead to an increase in the concerned knowledge base of the country.

127. The Project's participatory process (SFM C&I), involving relevant policy making, research, and operational institutions, will ensure that knowledge is shared efficiently within the country. Internationally, FAO will play a leading role in lesson sharing and knowledge management.

SECTION 4 – SUSTAINABILITY OF RESULTS

4.1 SOCIAL SUSTAINABILITY

4.1.1 Social sustainability

(will need some socio-economic data to complete this section)

4.1.2 Gender mainstreaming

128. The project will identify and acknowledge gender differences, it will assess and comprehensively understand them. In line with the FAO gender goal and mimimum standards and the GEF Policy on Gender Mainstreaming and the GEF-6 approach on gender mainstreaming and women's empowerment, gender considerations are important to this project. The project will contribute, to the extent possible, to to gender sensitive sustainable forest management. The project envisages that C&I is gender sensitive and sex-disaggrageted data will be collected and processed to the extent possible. Likewise, the project ensures that differing needs and priorities of women and men are duely taken into consideration. The project proposal also considers that gender awareness is raised at each possible level/mechanisms of planning, governance, and monitoring and evaluation. In addition, the public reach-out will be through design of a gender sensitive communication strategy and dissmeniation materials. More specifically how all these will be achieved through the following:

Awareness raising and capacity development:

129. An FAO facilitator/consultant will contribute to the Inception workshop in order to support identification of mehodology and indicators from gender perspective via raising awareness on the general gender issues in the sector. In addition, the project team will support increasing awareness at different stage of NFP governance system (GCC, and Rayon Level forest management team, particularly with the latter one as the identification of data needs will be up-streamed by them) so that this team is aware of the gender needs and priorities and can sustain their contributions in a dynamic way. Furthermore, the communication strategy under Component 3 is envisaged to be designed totally gender sensitive to effectively reach out the public reflecting on most likely varying perceptions of men and women vis a vis forests and forestry matters through materials produced addressing the specific needs and priorities of men and women.

Gender sensitive forest management planning and governance:

130. A socio – economic survey and gender analysis will be entry points to collect baseline information about local people and identify main issues such as their socio-economic situation, access to knowledge gaps, needs and division of labour. The findings of this analysis will then provide feedback to the preperation of a Concept Paper on the elements of SFM and background of the SFM C&I (Output 1.1.3). This will be achieved through an increased awareness on sex-disaggregated data collection and gender-sensitive trainings at all levels. So the analysis of the sector and SFM C&I will be addressing gender issues via the needed information and related indicators to be proposed. This coupled with the findings of Rayon level gender needs, priorities and data will contribute that the whole planning process will be interactively gender sensitive. In all stages of planning and governance and project-

related meetings, women's active participation will be ensured individually, as community and through NGOs.

Women and men empowerment through income generation activities and capacity development:

131. It is expected that women will play a key role in the development and implementation of management plans (Output 4.4) and nursery management (Output 6.1) via developed capacities. The results will be used to increase employment opportunities for rural women by providing trainings and building new marketing channels. FAO will explore the possibilities to co-finance activities aimed at reducing the domestic workload of women in order to facilitate their full participation.

Gender sensitive monitoring evaluation and knowledge sharing:

132. The monitoring system will be gender sensitive indicating not only progress made to reduce gender inequalities and empoverment of women particularly but also progress made in gender mainstreaming in sustainable forest management. Similarly, progress reports, terminal reports will be prapared reflecting the gender related achievements with sex-disaggragated data to the extent possible. Gender sensitive knowledge production and dissemination ensuring access of women to this knowledge products will be one of objectives of the communication plan.

4.2 ENVIRONMENTAL SUSTAINABILITY

133. The project will set the basis for sustainable forest management in Azerbaijan. The Forest Reource Information Management System will provide detailed and up-to-date information that will allow an improved, adaptive and better iformed management of forest resources in the country. Activities under Component 2 aim to show-case SFM in a holistic and integrated approach, that is, through a multi functional and integrated forest management plan supported by participatory SFM mechanism that includes pasture rehabilitation, wood and non wood production, rehabilitation, restoration, afforestation, provision of services such as recreation, soil protection, water protection.

4.3 FINANCIAL AND ECONOMIC SUSTAINABILITY

134. The project will increase the forest fund revenues from wood sales, which is expected to provide at least triple the current levels revenue. The nursery, when fully implemented, will produce 2.5 million potted seedlings per year (currently it produces 500.000 bare rooted seedlings each year). The nursery will not only provide the necessary seedlings for restoration and plantations it will also sell them to private entities which will have access to forests under improved conditions.

4.4 SUSTAINABILITY OF CAPACITY DEVELOPMENT

135. The project will invest in capacity development of technician and forest managers both at national and local level. The project will adopt a training-of-trainers strategy, which is a

cost-effective strategy to ensure sustainability and scalu-up of the capacity development effort.

4.5 APPROPRIATENESS OF TECHNOLOGIES INTRODUCED

136. The selection of the INRM best practices for demonstration and upscaling on e.g., CA, CSA, and agroforestry/shelterbelt management will be based on management practices already pilot tested by USRI, Agrogeneration, etc. for their environmental impact and economic feasibility. The project will also undertake assessment of resilience of tested INRM approaches and feed back lessons to the field level. The final fine-tuning of INRM interventions will be undertaken in close consultation with local communities and agro-enterprises participating in the project.

4.6 INNOVATIVENESS, REPLICATION and SCALE-UP

Innovativeness

137. Many of the individual practices and forestry practices to be demonstrated and supported by the Project are innovative for Azerbaijan, in particular participatory approach to planning and management is innovative in the country and the region. Also the improved assessing and inventorying, the emphasis on carbon sequestration and the combined protection/production approaches to forestry management, are all innovative in the country and region.

Replication and up-scaling

138. As mentioned above, as a very first order estimate, the proportion of forest land that is actually covered with forest is less than half. Hence, in general terms, there is excellent potential for scaling-up across Azerbaijan, over the coming decade. The approach is to build support, to raise awareness, to provide convincing technical and economic data and to demonstrate success.

139. Most of the project activities are one-time investments that are essential for the long term sustainability of the sector. During the project cycle, a GIS laboratory will be established, database for information management will be set up, the necessary equipment will be provided, and GIS experts, ground sampling experts, forest management planning experts will be trained. The nursery and seed laboratory will be modernized. The established capacity will be able to sustain the activities beyond the project time. National inventory is expected to be updated at every 10 years. As the obtainment of satellite data is getting cheaper and given the already established capacities, this will not be difficult to be done by national sources, particularly if the economic importance of the sector is validated during the project lifetime.

140. Regarding scalability, forest management plans for other Rayons will be done with the same experts and already provided tools in its usual course. Rehabilitation and restoration activities will be carried out with almost the same budget that is regularly provided from DFD budget. SFM C&I national workshop is expected to be done in every 2-3 years, which involves only a cost of workshop, since there will be no need for additional concept notes,

guidelines etc. The communication strategy will be in place and the necessary communication material will already be prepared.

APPENDICES

APPENDIX 1: RESULTS FRAMEWORK

Project Objective:
To introduce SFM into Azerbaijan in order to increase social and economic benefits from forests, to improve quality of existing forest and increase carbon sequestration

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Component 1: Forest Resource Information Management System							
Outcome 1.1: A methodological mechanism for data collection, assessment and reporting developed	At national level, SFM C&I assessed and reported by stakeholders including recommendations to MENR	There is no SFM C&I mechanism for the monitoring assessment and reporting of forestry		SFM General Coordinating Committee established, Azerbaijan national SFM C&I set is identified, monitored, assessed and reported.	Inception Workshop Report Final national workshop report	The government is willing to start the SFM C&I works. MENR will officially invite all stakeholders to take part in SFM GCC. The identified set of SFM C&I will be publicly declared.	Stakeholders, NGOs MENR FAO Office-Baku UNDP
Output 1.1.1: Concept paper and Guidelines on SFM prepared.	Concept paper designed	0	Concept paper designed		Concept paper document published		PIU
Output 1.1.2: SFM General Coordination Committee (GCC) established	SFM General Coordination Committee (GCC) established and operational	0	SFM General Coordination Committee (GCC) established	SFM General Coordination Committee (GCC) operational (at least 2 meetings)	GCC meeting minutes		MERN NTC
Output 1.1.3 National level SFM C&I set identified and agreed by stakeholders	National SFM C&I for Azerbaijan officially declared	0	National SFM C&I for Azerbaijan officially declared	National SFM C&I for Azerbaijan officially declared	GCC meeting minutes		MERN NTC

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Outcome 1.2: An Operational National Forest Assessment and Monitoring System providing reliable and up to date information on forest resources	Number of hectares covered by NFAMS	0 The last forestry inventory was made in 1988. The data on forests is inconsistent, unreliable and incomplete.		Countrywide data and information collected, analyzed, classified and stored in a GIS based database, covering 72,737 hectares	Web portal Final workshop report Forest Res. Ins. Baku	The government will devote all necessary personnel and other means to complete the inventory.	DFD of MENR DCG of MENR
Output 1.2.1: A capacity development program for cadres and stakeholders.	Number of trained cadres	0		10 trained cadres	Training modules Training reports Project progress reports		Project Management Unit
Output 1.2.2: An operational geographic information system for forest assessment and monitoring	GIS lab established and operational	0	GIS lab established and operational	GIS lab established and operational	Project progress reports		Project Management Unit
Output 1.2.3: Data collection and analysis.	Data collected and analyzed	The Cartography and Geodesy Department has images and photos of the country land.	Satellite images and photos obtained and interpreted, sample plots identified	Ground survey conducted, data stored and analyzed.	Survey report		Department of Cartography and Geodesy
Output 1.2.4 Participatory C & I assessment.	SFM Criteria & Indicators assessed	0		SFM Criteria & Indicators assessed	Workshop minutes		Project Management Unit

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Component 2: Multifunctional forest management leading to carbon sequestration, improvement in forest and tree resources and their contribution to local livelihoods							
Outcome 2.1 Improved forest management planning in 2 pilot areas	No. of stakeholders trained Number ha under improved Sustainable Forest management practices	5 Forest management planning teams are idle, stakeholders are far from new developments and technologies in forestry		10 persons including members of the idle management teams trained as trainers 38.405 ha under SFM practices		Forest management planning teams accept the new planning concept.	DFD of MENR FMP supervisory
Output 2.1.1: Guidelines for multifunctional management planning developed	Guidelines on forest management planning FMP developed and validated.	0		Guidelines on FMP developed and validated.	Workshop minutes Document containing the guidelines		Project management unit
Output 2.1.2: Five forest management planning teams trained	Number of foresters trained	0		10	Training attendance list Project progress reports		Project management unit
Output 2.1.3: Multifunctional forest management plans for two rayons (Qax and Agdas) developed and under implementation	Number of Forest management Plans developed	0		2 Forest management Plans developed	Project progress reports		Forest management planning teams PIU
Outcome 2.2 Income generating activities for local small farm holders demonstrated	Number of farmers with diversified and improved livelihood strategies reducing pressures to nearby forests	Farmers are deprived of diversified income options; overgrazing is very common.overgrazing is very common		tbd at project inception	PIR	Local farmers are interested in the proposed management practices and willing to implement them.	FAO Project management unit
Output 2.2.1: Pastures in 2 selected sites are planned and rehabilitated	Number of hectares rehabilitated	0		1,500 hectares rehabilitated (Qax: 1000 ha; Agdash: 500 ha)			

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Outcome 2.3 Carbon stocks enhanced in degraded and deforested Forest Fund land	Number of ha of degraded forest rehabilitated using modern techniques. Number of ha of land afforested. Carbon stored and avoided emissions	The government carries out rehabilitation and afforestation activities with very limited funds and in a traditional way.		15.300 hectares rehabilitated using modern techniques (GEF plus co-financing) 5.300 hectares afforested using modern techniques (GEF plus co-financing)	PIR	Government assumes the cost associated with the employment of additional workers.	FAO Project management unit
Output 2.3.1: Shemkir Nursery production capacity increased	Number of potted seedlings	The nurseries are in poor condition and there is no substantial potted seedling production.		2.500.000 potted seedlings		PPR	PIU
Output 2.3.2: Seed Lab under the National Monitoring Department on Environment of Ministry of Ecology and Natural Resources modernized		The existing lab has only one small Jakobsen germinator and an old small refrigator. It lacks many necessary tools and equipment.		Fully functional lab			
Output 2.3.3. Degraded forest land rehabilitated and restored	Number of ha of degraded forest rehabilitated using modern techniques.	0		15.300 hectares rehabilitated (300 with GEF resources plus15,000 with co-financing resources)		PPR	PIU
Output 2.3.4 Afforestation of forest land across the selected rayons	Number of ha of land afforested.	0		5.300 hectares afforested (300 with GEF resources plus 5,000 with co-financing resouerces)		PPR	PIU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Component 3: Monitoring, evaluation and knowledge-sharing							
Outcome 3.1: Project implementation based on RBM	M&E system ensuring timely delivery of project results	-		M&E system ensuring timely delivery of project results	Inception report M&E strategy document PIR		PIU
Output 3.1.1 Gender sensitive M&E Plan and system in place	Monitoring system developed and operational	-		Monitoring system developed and operational	PPR PIR		PIU
Output 3.1.2 Project Final Evaluation	Final evaluation conducted	-	-	Final evaluation conducted	Final report of the FE		Independent consultant
Outcome 3.2: Sustainability and upscale SFM ensured through provision of up to date information on forest resources and their trend and dissemination of lesssons learned and good practices	Public perception of forest management is assessed and increased.	Public is not well informed about the ecologic, economic and social functions of forests.		Public perception of forest management is assessed and increased	Survey results	MENR accepts the findings and the release or circulation of communication material	NGO Project Management Unit
Output 3.2.1. A Communication Strategy Action plan (CSAP) developed	Communication strategy designed Number of communication pieces produced	No communication strategy available 0	Communication strategy designed	Number of communication pieces produced will be determined in the communication strategy	Communication strategy document Publications		Communication specialist
Output 3.2.2. A set of manuals for dissemination of improved practices, measures and technologies	Number of dissemination material published	0		500 manuals published	Dissemination manuals and guidelines PPR		Project management unit
Output 3.2.3. A web portal established	Web portal established and updated monthly	0		Web portal established and updated monthly	Web page of the portal		Project management unit

APPENDIX 2: WORK PLAN

Output	Activities	Responsible	Year 1				Year 2				Year 3			
			I	II	III	IV	I	II	III	IV	I	II	III	IV
COMPONENT 1. FOREST RESOURCE INFORMATION MANAGEMENT SYSTEM														
Outcome 1.1. A methodological mechanism for data collection, assessment and reporting developed														
Output 1.1.1: Concept paper and Guidelines on SFM prepared	Consultant prepares concept paper and guidelines with draft set of SFM C&I	NTC, LTO	X											
Output 1.1.2: SFM General Coordination Committee (GCC) established	Official call to stakeholders for nominations	MENR	X											
	Formal establishment of GCC at inception workshop (with TOR)	MENR, NTC, LTO	X											
Output 1.1.3: National level SFM C&I set identified and agreed by stakeholders	Consultant presents the concept note at the SFM GCC workshop, moderates work group for identification of national SFM C&I set for Azerbaijan, and reports the final outcome to MENR	SFM GCC, NTC, LTO	X											
Outcome 1.2. An operational national forest assessment and monitoring system providing reliable and up to date information on forest resources														
Output 1.2.1 A capacity development program for cadres and stakeholders	Training prepared by FAO Staff	FAO		X										
	10 cadres and stakeholders will be trained	MENR, FAO		X										
Output 1.2.2: An operational geographic information system for forest assessment and monitoring	GIS Lab established	MENR, FAO	x	X										
	Software installed		x	X										
Output 1.2.3 Data collection and analysis.	Satellite images and photos obtained, interpreted, sample plots identified, ground survey conducted, data stored and analyzed	MENR, FAO			x	x	x	x	X					
Output 1.2.4 Participatory C & I assessment.	Workshop to assess findings with in the SFM C&I frame and reported with recommendations for next steps	MENR, FAO								X				

Output	Activities	Responsible	Year 1				Year 2				Year 3			
			I	II	III	IV	I	II	III	IV	I	II	III	IV
COMPONENT 2. Multifunctional forest management leading to carbon sequestration, improvement inforest and tree resources and their contribution to local livelihoods														
Outcome 2.1. Improved forest management planning in 2 rayons														
Output 2.1.1: Guidelines for multifunctional management planning developed	International consultant recruited to prepare guidelines for FM planning	FAO	x	X										
	International consultant prepares training material	MENR, FAO		X										
Output 2.1.2: Two forest management planning teams trained	Training of foresters from management teams	MENR, FAO		x	x	X								
Output 2.1.3: Multifunctional forest management plans for 2 rayons (Qax and Agdas) developed and under implementation	Forest management teams equipped with necessary tools and equipment	FAO			x	x	x	x	x	X				
	Team chiefs conduct reconnaissance work with the technical staff of FCRDs	MENR, PIU			x	x	x	x	x	X				
	Local workshops organized to understand needs of local people	PIU, MENR			x	x	x	x	x	X				
	Field work	FCRD, MENR			x	x	x	x	x	X				
Outcome 2.2. Income generating activities														
Output 2.2.1: Pastures in 2 selected sites are rehabilitated	Sites selected	MENR		X										
	National consultant plans and supervises pasture rehabilitation	PIU			x	x	x	x	x	X				
Outcome 2.3. Carbon stock enhanced in degraded and deforested forest fund land														
Output 2.3.1 Shemkir Nursery capacity is increased	National consultant prepares nursery modernization plan	PIU, MENR		X										
	Nursery modernization plan implemented	FAO		x	X									
Output 2.3.2 Seed lab modernized	Necessary equipment procured	FAO	x	X										
Output 2.3.3 300 ha of degraded forest land are rehabilitated	Local villagers will be contracted to carry out the field work. National consultant supervises implementation.	FCRDs			x	x	x	x	x	X				
Output 2.3.4 300 ha land is afforested across the selected rayons	Local villagers will be contracted to carry out the field work. National consultant supervises implementation.				x	x	x	x	x	X				

Output	Activities	Responsible	Year 1				Year 2				Year 3			
			I	II	III	IV	I	II	III	IV	I	II	III	IV
COMPONENT 3. Monitoring evaluation and knowledge sharing														
Outcome 3.1. Project implementation based on rbm														
Output 3.1.1: Gender sensitive Project Monitoring & Evaluation Plan and system in place	National consultant recruited to develop M&E plan	FAO, PIU	x	X										
	M&E plan implemented	PIU		X		X		X		X				
Output 3.1.2: Project Final Evaluations	Consultant recruited	PIU								X				
	Final evaluation prepared	Consultant								x	X			
Outcome 3.2. Sustainability and upscale SFM ensured through provision of up to date information on forest resources and their trend and dissemination of lesssons learned and good practices														
Output 3.2.1: Communication Strategy Action plan (CSAP) to raise awareness developed	Public survey	PIU (via LOA with national env. agency)		x	X									
	Interviews with key stakeholders				x	X								
	Preparation of communication material					X								
Output 3.2.2: A set of manuals or guidelines for forestry managers and technicians that captures and describe the improved practices, measures and technologies	Consultants recruited to prepare manuals	PIU					x	x	x	X				
Output 3.2.3: Web portal established	Web portal designed and updated monthly	PIU	x	x	x	x	x	x	x	X				

APPENDIX 3: PROJECT BUDGET

DESCRIPTION	Component 1	Component 2	Component 3	PM	Total GEF	Year 1	Year 2
5300 Professional salaries							
Budget & Operations Officer	0	0	0	47,415	47,415	23,708	23,708
HR and Procurement support	0	0	0	20,052	20,052	10,026	10,026
Subtotal Professional Salaries	**0**	**0**	**0**	**67,467**	**67,467**	**33,734**	**33,734**
National consultancies							
Statistician - Data collection and analysis	75,000	0	0		75,000	37,500	37,500
Expert in pasture rehabilitation	0	13,000	0		13,000	4,000	9,000
Expert on nursery design	0	10,000	0		10,000	10,000	
Expert on forest management plans	0	25,000	0		25,000	12,500	12,500
Socio-economist/Gender expert	0	0	36,000		36,000	18,000	18,000
Forestry expert - best practices	0	35,000	15,000		50,000	25,000	25,000
Technical coordinator				35,091	35,091	21,000	21,000
Technical support project sites				32,374	32,374	19,374	19,375
Subtotal National Consultants	**75,000**	**83,000**	**51,000**	**67,465**	**276,465**	**147,374**	**142,375**
International consultancy							
Forestry expert - guidelines to determine SFM C&I	10,000	0	0		10,000	10,000	
Expert on multifunctional forest management planning	0	24,000	0		24,000	16,000	8,000
Final evaluation	0	0	40,000		40,000		40,000
Forestry expert - Best practices, measures and techs.	0	0	12,000		12,000		12,000
Subtotal International consultants	**10,000**	**24,000**	**52,000**	**0**	**86,000**	**26,000**	**60,000**
5570 Subtotal consultants	**85,000**	**107,000**	**103,000**	**67,465**	**362,465**	**173,374**	**202,375**
5650 Contracts							
LOA - Communication Strategy Action Plan	0	0	20,000		20,000	15,000	5,000
Establishment of an operational GIS for forest assessment and monitoring	3,000	0	0		3,000	3,000	
Rehabilitation of forest lands	0	180,000	0		180,000	150,000	30,000
Afforestation of forest lands	0	320,000	0		320,000	230,000	90,000
Web portal developed and maintained	0	0	5,000		5,000	5,000	

5650 Subtotal Contracts	**3,000**	**500,000**	**25,000**	**0**	**528,000**	**403,000**	**125,000**
Travels (national)							
Development of C&I for SFM	4,500	0	0		4,500	4,500	
Guidelines for MF forest management planning	0	500	0		500	500	
Dissemination of manuals	0	0	500		500	250	250
	4,500	**500**	**500**	**0**	**5,500**	**5,250**	**250**
Travels (international)							
Forestry expert	3,000	0	0		3,000	1,500	1,500
MF Forest management planning expert	0	6,000	0		6,000	4,000	2,000
Best practices expert	0	0	1,000		1,000		1,000
	3,000	**6,000**	**1,000**	**0**	**10,000**	**5,500**	**4,500**
5900 Subtotal travel	**7,500**	**6,500**	**1,500**	**0**	**15,500**	**10,750**	**4,750**
Trainings							
Training of cadres	10,000	0	0		10,000	8,000	2,000
GIS training	10,000	0	0		10,000	10,000	
ToT forest management planning	0	8,000	0		8,000	2,000	6,000
	20,000	**8,000**	**0**	**0**	**28,000**	**20,000**	**8,000**
Workshops							
Inception workshop - GCC establishment	9,000	0	0		9,000	9,000	
Establishment of SFM C&I	4,000	0	0		4,000	3,000	1,000
Participatory C&I assessment	9,000	0	0		9,000	1,500	7,500
MF FMP for 2 rayons	0	10,000	0		10,000	5,000	5,000
	22,000	**10,000**	**0**	**0**	**32,000**	**18,500**	**13,500**
5023 Subtotal training & workshops	**42,000**	**18,000**	**0**	**0**	**60,000**	**38,500**	**21,500**
Expendable procurement							
Training material	500	1,000	0		1,500	750	750
Map sheets, ink, flash disks, stationery	4,500	0	0		4,500	2,500	2,000
Printing material, stationery	0	6,000	0		6,000	6,000	
Brochures, leaflets, ads, boards, manuals, video	0	0	48,500		48,500	18,500	30,000
Subtotal Expendable procurement	**5,000**	**7,000**	**48,500**	**0**	**60,500**	**27,750**	**32,750**
6100 Non expendable procurement							
Office equipment, software	10,000	0	0		10,000	8,500	1,500

Peripherals	4,330	0	0		4,330	4,330	
Work stations	17,500	0	0		17,500	17,500	
Server	7,500	0	0		7,500	7,500	
Equipment for 5 teams (GPSs, calipers, compasses, diameter tapes, computers, relascopes, clinometers, increment borers)	25,000	0	0		25,000	12,500	12,500
Equipment for 5 teams (GPSs, calipers, compasses, diameter tapes, computers, relascopes, clinometers, increment borers)	0	25,000	0		25,000	12,500	12,500
Fencing material, tools	0	17,000	0		17,000	8,500	8,500
Greenhouses (x5)	0	110,000	0		110,000	75,000	35,000
Shelter, irrigation, piping, pumps, tanks, loader	0	45,000	0		45,000	45,000	
Germination jacobsens, moisture measurer, precision scale, refrigerator, deep freezer, cold store, furniture, air condition	0	25,000	0		25,000	25,000	
Fencing, rehabiliation tools	0	20,000	0		20,000	15,000	5,000
Fencing, equipment, afforestation tools, irrigation	0	80,000	0		80,000	65,000	15,000
6100 Subtotal non expandable procurement	**64,330**	**322,000**	**0**	**0**	**386,330**	**296,330**	**90,000**
6300 GOE							
General operation expenses	0	0	3,985		3,985	1,993	1,993
	0	**0**	**3,985**	**0**	**3,985**		
TOTAL	**206,830**	**960,500**	**181,985**	**134,932**	**1,484,247**	**983,438**	**514,094**

Outcome 1.1	25,500
Outcome 1.2	181,330
Component 1	206,830
Outcome 2.1	74,500
Outcome 2.2	30,000
Outcome 2.3	856,000
Component 2	960,500
Outcome 3.1	79,985
Outcome 3.2	102,000
Component 3	181,985
Subtotal components	1,349,315
PM	134,932
Total	1,484,247

APPENDIX 4: ENVIRONMENTAL AND SOCIAL ASSESSMENT

Applicable Environmental and Social Safeguards

SAFEGUARD	SAFEGUARD TRIGGERED?
SAFEGUARD 1 NATURAL RESOURCES MANAGEMENT Could this project: • result in the degradation (biological or physical) of soils or undermine sustainable land management practices; or • include the development of a large irrigation scheme, dam construction, use of waste water or affect the quality of water; or • reduce the adaptive capacity to climate change or increase GHG emissions significantly; or • result in any changes to existing tenure rights[23] (formal and informal[24]) of individuals, communities or others to land, fishery and forest resources?	
SAFEGUARD 2 BIODIVERSITY, ECOSYSTEMS AND NATURAL HABITATS Would this project be executed in or around protected areas or natural habitats, decrease the biodiversity or alter the ecosystem functionality, use alien species, or use genetic resources?	
SAFEGUARD 3 PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE Would this project: • introduce crops and varieties previously not grown, and/or; • provide seeds/planting material for cultivation, and/or; • involve the importing or transfer of seeds and or planting material for cultivation or research and development; • supply or use modern biotechnologies or their products in crop production, and/or • establish or manage planted forests?	YES
SAFEGUARD 4 ANIMAL (LIVESTOCK AND AQUATIC) GENETIC RESOURCES FOR FOOD AND AGRICULTURE Would this project introduce non-native or non-locally adapted species, breeds, genotypes or other genetic material to an area or production system, or modify in any way the surrounding habitat or production system used by existing genetic resources?	

SAFEGUARD 5 PEST AND PESTICIDES MANAGEMENT
 	
Could this project:
• result in the direct or indirect procurement, supply or use of pesticides25:
  ○ on crops, livestock, aquaculture, forestry, household; or
  ○ as seed/crop treatment in field or storage; or
  ○ through input supply programmes including voucher schemes; or
  ○ for small demonstration and research purposes; or
  ○ for strategic stocks (locust) and emergencies; or
  ○ causing adverse effects to health and/or environment; or
• result in an increased use of pesticides in the project area as a result of production intensification; or
• result in the management or disposal of pesticide waste and pesticide contaminated materials; or
• result in violations of the Code of Conduct?	

[23] Tenure rights are rights to own, use or benefit from natural resources such as land, water bodies or forests
[24] Socially or traditionally recognized tenure rights that are not defined in law may still be considered to be 'legitimate tenure rights'.
[25] Pesticide means any substance, or mixture of substances of chemical or biological ingredients intended for repelling, destroying or controlling any pest, or regulating plant growth.

SAFEGUARD	SAFEGUARD TRIGGERED?
SAFEGUARD 6 INVOLUNTARY RESETTLEMENT AND DISPLACEMENT Could this project permanently or temporarily remove people from their homes or means of production/livelihood or restrict their access to their means of livelihood?	
SAFEGUARD 7 DECENT WORK Could this project affect the current or future employment situation of the rural poor, and in particular the labour productivity, employability, labour conditions and rights at work of self-employed rural producers and other rural workers?	YES
SAFEGUARD 8 GENDER EQUALITY Could this project risk overlooking existing gender inequalities in terms of men's and women's participation in decision making and/or their differential access to productive resources, services and markets?	
SAFEGUARD 9 INDIGENOUS PEOPLES AND CULTURAL HERITAGE Would this project: • have indigenous peoples[26] **living outside the project area [27] where activities will take place; or** • have indigenous peoples living in the project area where activities will take place; or • adversely or seriously affect on indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (physical[28] **and non-physical or intangible[29]) inside and/or outside the project area; or** • be located in an area where cultural resources exist?	

[26] FAO considers the following criteria to identify indigenous peoples: priority in time with respect to occupation and use of a specific territory; the voluntary perpetuation of cultural distinctiveness (e.g. languages, laws and institutions); self-identification; an experience of subjugation, marginalization, dispossession, exclusion or discrimination (whether or not these conditions persist).

[27] The phrase "Outside the project area" should be read taking into consideration the likelihood of project activities to influence the livelihoods, land access and/or rights of Indigenous Peoples' irrespective of *physical* distance. In example: If an indigenous community is living 100 km away from a project area where fishing activities will affect the river yield which is also accessed by this community, then the user should answer "YES" to the question.

[28] Physical defined as movable or immovable objects, sites, structures, group of structures, natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic or other cultural significance located in urban or rural settings, ground, underground or underwater.

[29] Non-physical or intangible defined as "the practices, representations, expressions, knowledge and skills as well as the instruments, objects, artifacts and cultural spaces associated therewith that communities, groups, and in some cases individuals, recognize as part of their spiritual and/or cultural heritage"

Environmental and Social Screening Checklist

SAFEGUARD 1 NATURAL RESOURCES MANAGEMENT

	Management of soil and land resources		Project	Risk Level	Yes
1.1	Could this project result in the degradation (biological or physical) of soils		**No**	**LOW RISK**	**MODERATE RISK**
1.2	Could this project undermine sustainable land management practices?		**No**	**LOW RISK**	**HIGH RISK**
	Management of water resources and small dams				
1.3	Would this project develop an irrigation scheme that is more than **20 hectares** or withdraws more than **1000 m^3/day** of water?		**No**	**LOW RISK**	**MODERATE RISK**
1.4	Would this project develop an irrigation scheme that is more than **100 hectares** or withdraws more than **5000 m^3/day** of water?		**No**	**LOW RISK**	**HIGH RISK**
1.5	Would this project aim at improving an irrigation scheme (without expansion)?		**No**	**LOW RISK**	**MODERATE RISK**
1.6	Could this project affect the quality of water either by the release of pollutants or by its use, thus affecting its characteristics (such as temperature, pH, DO, TSS or any other?		**No**	**LOW RISK**	**HIGH RISK**
1.7	Would this project include the usage of wastewater?		**No**	**LOW RISK**	**MODERATE RISK**
1.8	Would this project involve the construction or financing of a dam that is more than **15 m**. in height?		**No**	**LOW RISK**	**CANNOT PROCEED**
1.9	Would this project involve the construction or financing of a dam that is more than **5 m**. in height?		**No**	**LOW RISK**	**HIGH RISK**
	Tenure				
1.10	Could this project result in a negative change to existing legitimate tenure rights?		**No**	**LOW RISK**	**HIGH RISK**
	Climate				
1.11	Could this project result in a reduction of the adaptive capacity to climate change for any stakeholders in the project area?		**No**	**LOW RISK**	**HIGH RISK**
1.12	Could this project result in a reduction of resilience against extreme weather events?		**No**	**LOW RISK**	**HIGH RISK**
1.13	Could this project result in a net increase of GHG emissions beyond those expected from increased production?		**No**	**LOW RISK**	**PROCEED TO NEXT QUESTION**
	1.13.1	Is the expected increase below the level specified by FAO guidance or national policy/law (whichever is more stringent)?		**HIGH RISK**	**LOW RISK**
	1.13.2	Is the expected increase above the level specified by FAO guidance or national policy/law (whichever is more stringent)?		**LOW RISK**	**HIGH RISK**

SAFEGUARD 2 BIODIVERSITY, ECOSYSTEMS AND NATURAL HABITATS

	Protected areas, buffer zones or natural habitats	Project	No	Yes
2.1	Would this project be implemented within a legally designated protected area or its buffer zone?	**No**	**LOW RISK**	**HIGH RISK**
	Biodiversity Conservation			
2.2	Could this project change a natural ecosystem to an agricultural/aquacultural/forestry production unit with a reduced diversity of flora and fauna?	**No**	**LOW RISK**	**HIGH RISK**
2.3	Could this project increase the current impact on the surrounding environment for example by using more water, chemicals or machinery than previously?	**No**	**LOW RISK**	**MODERATE RISK**
	Use of alien species			
2.4	Would this project use an alien species which has exhibited an *invasive** behavior in the country or in other parts of the world or a species with unknown behavior? **An invasive alien species is defined by the Convention on Biological Diversity as "an alien species whose introduction and/or spread threaten biological diversity" (see https://www.cbd.int/invasive/terms.shtml).*	**No**	**LOW RISK**	**HIGH RISK**
	Access and benefit sharing for genetic resources			
2.5	Would this project involve access to genetic resources for their utilization and/or access to traditional knowledge associated with genetic resources that is held by indigenous, local communities and/or farmers?	**No**	**LOW RISK**	**MODERATE RISK**

SAFEGUARD 3 PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE

		Introduce new crops and varieties	Project	No	Yes
3.1		Would this project Introduce crops and varieties previously not grown?	**No**	**LOW RISK**	**MODERATE RISK**
		Provision of seeds and planting materials			
3.2		Would this project provide seeds/planting material for cultivation?	**No**	**LOW RISK**	**PROCEED TO NEXT QUESTION**
	3.2.1	Would this project involve the importing or transfer of seeds and/or planting materials for cultivation?		**LOW RISK**	**MODERATE RISK**
	3.2.2	Would this project involve the importing or transfer of seeds and/or planting materials for research and development?		**LOW RISK**	**MODERATE RISK**
		Modern biotechnologies and the deployment of their products in crop production			
3.3		Would this project supply or use modern plant biotechnologies and their products?	**No**	**LOW RISK**	**MODERATE RISK** •
		Planted forests			
3.4		Would this project establish or manage planted forests?	**Yes**	**LOW RISK**	**MODERATE RISK**

SAFEGUARD 4 ANIMAL (LIVESTOCK AND AQUATIC) GENETIC RESOURCES FOR FOOD AND AGRICULTURE

			Project	No	Yes
	Introduce new species/breeds and change in the production system of locally adapted breeds				
4.1	Would this project introduce non-native or non-locally adapted species, breeds, genotypes or other genetic material to an area or production system?		**No**	**LOW RISK**	**PROCEED TO NEXT QUESTION**
	4.1.1	Would this project foresee an increase in production by at least 30% (due to the introduction) relative to currently available locally adapted breeds and can monitor production performance?		**CANNOT PROCEED**	**LOW RISK**
	4.1.2	Would this project introduce genetically altered organisms, e.g. through selective breeding, chromosome set manipulation, hybridization, genome editing or gene transfer and/or introduce or use experimental genetic technologies, e.g. genetic engineering and gene transfer, or the products of those technologies?		**LOW RISK**	**HIGH RISK**
4.2	Would this project introduce a non-native or non-locally adapted species or breed for the first time into a country or production system?		**No**	**LOW RISK**	**MODERATE RISK**
4.3	Would this project introduce a non-native or non-locally adapted species or breed, independent whether it already exists in the country?		**No**	**LOW RISK**	**MODERATE RISK**
4.4	Would this project ensure there is no spread of the introduced genetic material into other production systems (i.e. indiscriminate crossbreeding with locally adapted species/breeds)?		**Yes**	**MODERATE RISK**	**LOW RISK**
	Collection of wild genetic resources for farming systems				
4.5	Would this project collect living material from the wild, e.g. for breeding, or juveniles and eggs for ongrowing?		**No**	**LOW RISK**	**MODERATE RISK**
	Modification of habitats		**Project**		
4.6	Could this project modify the surrounding habitat or production system used by existing genetic resources?		**No**	**LOW RISK**	**MODERATE RISK**
4.7	Would this project be located in or near an internationally recognized conservation area e.g. Ramsar or World Heritage Site, or other nationally important habitat, e.g. national park or high nature value farmland?		**No**	**LOW RISK**	**MODERATE RISK**
4.8	**AQGR**	Could this project block or create migration routes for aquatic species?	**No**	**LOW RISK**	**MODERATE RISK**
4.9		Could this project change the water quality and quantity in the project area or areas connected to it?	**No**	**LOW RISK**	**MODERATE RISK**
4.10	Could this project cause major habitat / production system changes that promote new or unknown chances for geneflow, e.g. connecting geographically distinct ecosystems or water bodies; or would it disrupt habitats or migration routes and the genetic structure of valuable or locally adapted species/stocks/breeds?		**No**	**LOW RISK**	**HIGH RISK**
4.11	Would this project involve the intensification of production systems that leads to land- use changes (e.g. deforestation), higher nutrient inputs leading to soil or water pollution, changes of water regimes (drainage, irrigation)?		**No**	**LOW RISK**	**MODERATE RISK**

SAFEGUARD 5 PEST AND PESTICIDES MANAGEMENT

	Supply of pesticides by FAO	Project	No	Yes
5.1	Would this project procure, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	**No**	**LOW RISK**	**MODERATE RISK**
5.2	Would this project provide seeds or other materials treated with pesticides (in the field and/or in storage) ?	**No**	**LOW RISK**	**MODERATE RISK**
5.3	Would this project provide inputs to farmers directly or through voucher schemes?	**No**	**LOW RISK**	**MODERATE RISK**
5.4	Could this project lead to increased use of pesticides through intensification or expansion of production?	**No**	**LOW RISK**	**MODERATE RISK**
5.5	Would this project manage or dispose of waste pesticides, obsolete pesticides or pesticide contaminated waste materials?	**No**	**LOW RISK**	**HIGH RISK**

SAFEGUARD 6 INVOLUNTARY RESETTLEMENT AND DISPLACEMENT N/A

	Involuntary resettlement	Project	No	Yes
6.1	Would this removal* be voluntary? *temporary or permanent removal of people from their homes or means of production/livelihood or restrict their access to their means of livelihoods	**Does not apply**	**CANNOT PROCEED**	**HIGH RISK**

SAFEGUARD 7 DECENT WORK

	Decent Work	Project	No	Yes
7.1	Could this project displace jobs? (e.g. because of sectoral restructuring or occupational shifts)	**No**	**LOW RISK**	**HIGH RISK**
7.2	Would this project operate in sectors or value chains that are dominated by subsistence producers and other vulnerable informal agricultural workers, and more generally characterized by high levels “working poverty”?	**Yes**	**LOW RISK**	**MODERATE RISK**
7.3	Would this project operate in situations where youth work mostly as unpaid contributing family workers, lack access to decent jobs and are increasingly abandoning agriculture and rural areas?	**No**	**LOW RISK**	**MODERATE RISK**
7.4	Would this project operate in situations where major gender inequality in the labour market prevails? (e.g. where women tend to work predominantly as unpaid contributing family members or subsistence farmers, have lower skills and qualifications, lower productivity and wages, less representation and voice in producers’ and workers’ organizations, more precarious contracts and higher informality rates, etc.)	**Yes**	**LOW RISK**	**MODERATE RISK**
7.5	Would this project operate in areas or value chains with presence of labour migrants or that could potentially attract labour migrants?	**No**	**LOW RISK**	**MODERATE RISK**
7.6	Would this project directly employ workers?	**No**	**LOW RISK**	**MODERATE RISK**
7.7	Would this project involve sub-contracting?	**Yes**	**LOW RISK**	**MODERATE RISK**

	Decent Work	Project	No	Yes
7.8	Would this project operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks[30]?	**Yes**	**LOW RISK**	**MODERATE RISK**
7.9	Would this project provide or promote technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general?	**No**	**LOW RISK**	**HIGH RISK**
7.10	Would this project foresee that children **below the nationally-defined minimum employment age** (usually 14 or 15 years old) will be involved in project-supported activities?	**No**	**LOW RISK**	**CANNOT PROCEED**
7.11	Would this project foresee that **children above the nationally-defined minimum employment age** (usually 14 or 15 years old), but under the age of 18 will be involved in project-supported activities?	**No**	**LOW RISK**	**MODERATE RISK**
7.12	Would this project operate in a value chain where there have been reports of child labour?	**No**	**LOW RISK**	**HIGH RISK**
7.13	Would this project operate in a value chain or sector where there have been reports of forced labour[31]?	**No**	**LOW RISK**	**HIGH RISK**

SAFEGUARD 8 GENDER EQUALITY

		Project	No	Yes
8.1	Could this project risk reinforcing existing gender-based discrimination, by not taking into account the specific needs and priorities of women and girls?	**No**	**LOW RISK**	**MODERATE RISK**
8.2	Could this project not target the different needs and priorities of women and men in terms of access to services, assets, resources, markets, and decent employment and decision-making?	**No**	**LOW RISK**	**MODERATE RISK**

[30] Major OSH risks in agriculture include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects.

[31] Forced labour is employed, consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. It includes men, women and children in situations of debt bondage, suffering slavery-like conditions or who have been trafficked. "In many countries, agricultural work is largely informal, and legal protection of workers is weak. In South Asia, there is still evidence of bonded labour in agriculture, resulting in labour arrangements where landless workers are trapped into exploitative and coercive working conditions in exchange for a loan. The low wages associated with high interest rates make it quite difficult for whole families to escape this vicious circle. In Africa, the traditional forms of "vestiges of slavery" are still prevalent in some countries, leading to situations where whole families (adults and children, men and women) are forced to work the fields of landowners in exchange for food and housing. In Latin America, the case of workers recruited in poor areas and sent to work on plantations or in logging camps has been widely documented by national inspection services and other actors." (ILO, Profits and poverty: the economics of forced labour / International Labour Office. - Geneva: ILO, 2014)

SAFEGUARD 9 INDIGENOUS PEOPLES AND CULTURAL HERITAGE

			Project	No	Yes
9.1	Are there indigenous peoples[32] living outside the project area[33] where activities will take place?		**No**	**LOW RISK**	**PROCEED TO NEXT QUESTION**
	9.1.1	Do the project activities influence the Indigenous Peoples living outside the project area?		**LOW RISK**	**MODERATE RISK**
9.2	Are there indigenous peoples living in the project area where activities will take place?		**No**	**LOW RISK**	**MODERATE RISK**
9.3	Would this project adversely or seriously affect on indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (physical[34] and non-physical or intangible[35]) inside and/or outside the project area?		**No**	**LOW RISK**	**HIGH RISK**
9.4	Would this project be located in an area where cultural resources exist?		**No**	**LOW RISK**	**MODERATE RISK**

[32] FAO considers the following criteria to identify indigenous peoples: priority in time with respect to occupation and use of a specific territory; the voluntary perpetuation of cultural distinctiveness (e.g. languages, laws and institutions); self-identification; an experience of subjugation, marginalization, dispossession, exclusion or discrimination (whether or not these conditions persist).
33 The phrase "Outside the project area" should be read taking into consideration the likelihood of project activities to influence the livelihoods, land access and/or rights of Indigenous Peoples' irrespective of physical distance. In example: If an indigenous community is living 100 km away from a project area where fishing activities will affect the river yield which is also accessed by this community, then the user should answer "YES" to the question.
[34] Physical defined as movable or immovable objects, sites, structures, group of structures, natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic or other cultural significance located in urban or rural settings, ground, underground or underwater.
[35] Non-physical or intangible defined as "the practices, representations, expressions, knowledge and skills as well as the instruments, objects, artifacts and cultural spaces associated therewith that communities, groups, and in some cases individuals, recognize as part of their spiritual and/or cultural heritage"

APPENDIX 5: ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

Risk identified	Risk classification	Risk description in the project	Mitigation action(s)	Progress on mitigation action	Comments
3.4 Establishment or management of planted forests	Medium risk	The project will support forest management planning in two pilot areas, including both native and planted forest. In addition, the project will carry out reforestation and afforestation activities in selected areas.	The project will act in full compliance with national forest policies and legislation and in observance with the Voluntary Guidelines on Planted Forests. In order to reduce any environmental risk, both the guidelines on multifunctional forest management planning and the forest management plans to be developed with project support will incorporate state-of-the-art-knowledge of conserving of biological diversity. This will include inter alia exclusive use seeds/seedlings/saplings of native tree species well adapted to the local conditions and prevention of monocultures. Both measures will limit to the extent possible spread of abiotic and biotic damaging agents.		
7.2 The project could operate in sectors or value chains that are dominated by subsistence producers and other vulnerable informal agricultural workers, and more generally characterized by high levels "working poverty"	Moderate risk	The project will carry out field activities in areas dominated by subsistence producers.	The project will take action to anticipate the likely risk of perpetuating poverty and inequality. The project will promote decent work and productive employment. In addition the project forsees specific activities aimed to improve the livelihoods of local farmholders, such as the rehabilitation of degraded pastures (Outcome 2.2).		

Risk identified	Risk classification	Risk description in the project	Mitigation action(s)	Progress on mitigation action	Comments
7.4 The project could operate in situations where major gender inequality in the labour market prevails.	Moderate risk	The project will operate in the forestry sector, where gender inequality prevail.	The project will take action to anticipate this risk by integrating specific measures to reduce gender inequalities and promote rural women's social and economic empowerment. Facilitation will be provided for women of all ages to access training and participate in project actvities. Provisions for maternity protection, including child care facilities, should be foreseen to favour women participation and anticipate potential negative effects on child labour, increased workloads for women, and health related risks for pregnant and breastfeeding women.		
7.7 The project could include sub-contracting	Moderate risk	The following activities will be sub-contracted: Rehabilitation of 300 ha of degraded forests, afforestation of 300 ha of degraded land, establishing of operational GIS lab	The project will promote subcontracting to local entrepreneurs – particularly to rural women and youth – to maximize employment creation under decent working conditions. FAO will monitor and eventually support contractors to fulfil the standards of performance and quality, taking into account national and international social and labour standards.		
7.8 The project could operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks	Moderate risk	The project will operate in the forestry sector, where producers may be exposed to significant occupational and safety risks.	The project will ensure all workers' safety and health by adopting minimum OSH measures and contributing to improve capacities and mechanisms in place for OSH in forestry. This will include, but is not limited to consequent enforcement of use of protective clothing (safety shoes, gloves, helmets, etc.), and limiting working hrs to 8 hrs per day (or even less under condition when the ambient temperature exceeds 38 degrees Celsius), and operation of machinery only by persons trained appropriately and having valid certificate for operating the machinery in question.		

APPENDIX 6. GHG EMISSIONS CALCULATION

Greenhouse gas emissions reductions will be achieved via three processes: afforestation activities carried out over 5,300 hectares, forest rehabilitation activities carried out over 15,300 ha, and the improvement of 1,500 ha of pastures. The results of the simulations using EX-ACT are presented below. The simulations below assume that (i) afforestation activities are carried out in degraded lands owned by the Forest Fun, and default (IPCC Tier 1) soil and litter carbon content parameters are used; (ii) forest restoration activities assume that biomass loss is reduced by 10%, and (iii) grasslands are brought from a moderately degraded stage into an improved stage.

Project Name	*Azerbaijan SFM*	Climate	*Cool Temperate (Moist)*	Duration of the Project (Years)	*20*
Continent	*Eastern Europe*	Dominant Regional Soil Type	*HAC Soils*	Total area (ha)	*22100*

Components of the project	Gross fluxes Without	Gross fluxes With	Balance	Share per GHG of the Balance All GHG in tCO2eq CO_2 Biomass	CO_2 Soil	CO_2 Other	N_2O	CH_4	Result per year Without	Result per year With	Balance
	All GHG in tCO2eq Positive = source / negative = sink										
Land use changes											
Deforestation	0	0	0	0	0		0	0	0	0	0
Afforestation	0	-2,324,461	-2,324,461	-1,303,409	-1,021,052		0	0	0	-116,223	-116,223
Other LUC	0	0	0	0	0		0	0	0	0	0
Agriculture											
Annual	0	0	0	0	0		0	0	0	0	0
Perennial	0	0	0	0	0		0	0	0	0	0
Rice	0	0	0	0	0		0	0	0	0	0
Grassland & Livestocks											
Grassland	0	-86,866	-86,866	0	-86,866		0	0	0	-4,343	-4,343
Livestocks	0	0	0				0	0	0	0	0
Degradation & Management	0	-746,481	-746,481	-513,315	-233,166		0	0	0	-37,324	-37,324
Coastal wetlands	0	0	0	0	0		0	0	0	0	0
Inputs & Investments	0	0	0			0	0	0	0	0	0
Fishery & Aquaculture	0	0	0			0	0	0	0	0	0
Total	0	-3,157,807	**-3,157,807**	-1,816,724	-1,341,083	0	0	0	0	-157,890	-157,890
Per hectare	0	-143	-143	-82.2	-60.7	0.0	0.0	0.0			
Per hectare per year	0.0	-7.1	-7.1	-4.1	-3.0	0.0	0.0	0.0	0.0	-7.1	-7.1

APPENDIX 7: TERMSOF REFERENCE

Administration and Operations Officer

Timing/Duration Full time for project duration

Background: Under the overall supervision of the FAO Azerbaijan Representative the incumbent will provide administrative and operational support to the implementation, monitoring and evaluation of the project for timely delivery of its outcomes and outputs. In particular he/she will perform the following tasks:

Main tasks:

- Ensure smooth and timely implementation of project activities in support of the results-based work plan, through operational and administrative procedures according to FAO rules and standards;
- Coordinate the project operational arrangements through contractual agreements with key project partners;
- Arrange the operations needed for signing and executing Letters of Agreement (LoA) and Government Cooperation Programme (GCP) agreements with relevant project partners;
- Maintain inter-departmental linkages with FAO units for donor liaison, Finance, Human Resources, and other units as required;
- Undertake day-to-day management of the project budget, including the monitoring of cash availability, budget preparation and budget revisions to be reviewed by the Project Coordinator;
- Ensure the accurate recording of all data relevant for operational, financial and results-based monitoring;
- Ensure that relevant reports on expenditures, forecasts, progress against work plans, project closure, are prepared and submitted in accordance with FAO and GEF defined procedures and reporting formats, schedules and communications channels, as required;
- Execute accurate and timely actions on all operational requirements for personnel-related matters, equipment and material procurement, and field disbursements;
- Participate and represent the project in collaborative meetings with project partners and the Project Steering Committee, as required;
- Be responsible for results achieved within her/his area of work and ensure issues affecting project delivery and success are brought to the attention of higher level authorities through the BH in a timely manner,
- In consultation with the FAO Evaluation Office, the and the FAO-GEF Coordination Unit, support the organization of the mid-term review and final evaluations, and provide inputs regarding project budgetary matters;

Minimal requirements:

1. University Degree in Economics, Business Administration, or related fields.
2. Five years of experience in project experience in planning, project implementation and management/administration of development programmes including the preparation, monitoring and evaluation of development projects and operations procedures
3. Knowledge of FAO's project management systems.

HR and procurement Officer

Timing/Duration Part time for project duration

Background: Under the overall supervision of the FAO Azerbaijan Representative and in close coordination with Project Management and the lead Technical Officer, the Human Resources and Procurement Officer will lead and coordinate the HR function and provide timely HR advice, analysis, reporting and supervision on servicing to both project staff and management. In particular, he/she will perform the following main tasks:

Main tasks:

a) Advise Budget Holder and project management on specific HR and procurement requests, issues, and problems, and provides advice, policy interpretations, and options on how to proceed;
b) Supervise the procurement of goods and contracting of services in close collaboration with the Budget Holder and the Project Coordinator and in accordance with the technical supervision of the Lead Techincal Officer, FAO rules and procedures and the AWP/B approved by the Project Steering Committee;
c) Oversee timely planning and implementation of procurement plans providing advice as needed on most appropriate procurement actions;
d) Reviews project service and staffing delivery and procedures, develop proposals, and coordinate updates/revisions;
e) Monitors requests for human resources actions and determines/approves, within delegated authority, salary, entitlements, travel, social security and other benefits.

Minimum Requirements

1. Advanced university degree in human resources, management, business administration, organizational development, industrial psychology or a related field
2. Five years of relevant experience in human resources management and administration, including experience in staff servicing
3. Good Knowledge of FAO's procurement, operations procedures and project management systems

Technical Coordinator

Timing/Duration Full time for project duration

Background The Technical Project Coordinator (PC) is a GEF funded position reporting to the FAOR and the FAO LTO.

Main tasks

- Manage Project Management Unit
- Prepare annual and quarterly workplans and prepare ToR for all inputs;
- Ensure all project staff and all consultants fully understand their role and their tasks, and support them in their work;

- Oversee day-to-day implementation of the project in line with the workplans;
- Assure quality of project activities and project outputs;
- Organise regular planning and communication events, starting with inception mission and inception workshop;
- Oversee preparation and implementation of M&E framework;
- Oversee preparation and implementation of Project communication and knowledge management frameworks;
- Prepare progress reports and all monitoring reports.
- Lead interactions with stakeholders
- Liaise with government agencies and regularly advocate on behalf of the Project;
- Coordinate project interventions with other ongoing activities, especially those of co-financers and other GEF projects;
- Facilitate and strengthen collaboration between national project's stakeholders and regional/international partners to ensure smooth implementation and delivery of project's activities;
- Regularly promote the project and its outputs and findings on a national, and where appropriate, regional stage.

Key competencies/qualifications

- Advanced degree in in forest management, natural resources management or related fields
- At least ten years of experience in the natural resources management sector in Central Asia;
- Demonstrated ability to adopt new ideas;
- Demonstrated commitment to participatory and bottom-up approaches;
- Demonstrated ability to communicate, including advocating to government agencies;
- Demonstrated ability to manage, including project management, office management ;

<u>Field Officer</u>

Timing/Duration One Full time for project duration

Background These GEF funded positions will report to the PC.

Main tasks The Field Officer provide and channel guidance to local governments and to local communities at demonstration sites.

- Provide capacity development to natural resources/agricultural/forestry units in selected rayons
- Provide training and awareness raising on SFM
- Oversee the preparation of participatory multifunctional forest management plans, and their implementation at

Project demonstration sites
- Lead field-based M&E, together with local communities, of project environmental and socio-economic impacts
- Liaise regularly with provincial government and with PMU and national government;
- Provide regular feedback and advance warning on conflicts, and assist with conflict resolution.

Key competencies/qualifications

- Demonstrated experience in participatory SFM and natural resources management at the local level
- Excellent communication skills, with local governments, national and international experts and local communities
- Demonstrated ability to open up to new approaches and new practices

Socio Economic /Gender specialist

Timing/Duration TBD

Background This GEF funded position reports to the PC.

Main tasks

- Assess and analyze the project from a gender and socio-economic perspective;
- Coordinate the delivery of the socio-economic survey and gender analysis to provide feedback to the preperation of a Concept Paper on the elements of SFM and background of the SFM C&I
- Identify key gender issues in the project and key gender entry points;
- Identify awareness and training needs regarding gender and livelihoods;
- Prepare a practical strategy for integrating gender and socio-economic consideration into the project, including a training programme and a gender and livelihood monitoring framework;
- Train national staff on gender and livelihood issues;
- On a regular basis, monitor the effectiveness of the project with regards to addressing gender ad livelihood issues;
- Prepare regular lessons learnt and best practices material.

Key competencies/qualifications

- Higher degree related to social issues or gender;
- At least ten years of experience working on gender and livelihoods in CA;

- Demonstrated experience successfully working with international partners on natural resource management issues;
- Demonstrated ability to interact effectively with a range of stakeholders – national government, local government and local land users;