

Midterm Review Report

2017

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Increasing representation of effectively managed marine ecosystems in the protected area system

UNDP PIMS ID: 4327

GEF Project ID: 4730

Country: Azerbaijan

Region: Europe and CIS

Focal Area: Biodiversity (GEF-5)

GEF Agency: United Nations Development Programme (UNDP)

Executing Agencies: Ministry of Ecology and Natural Resources (MENR)

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Contract No. 182/2016

Midterm Review Opening Page:

PROJECT DETAILS:

Project Name: Increasing representation of effectively managed marine ecosystems in the protected area system

Project ID: UNDP PIMS ID: 4327 GEF Project ID: 4730

Country: Azerbaijan

Region: Europe and CIS

Focal Area: Biodiversity (GEF-5)

Strategic Programs: **Objective 1:** Improve Sustainability of Protected Area Systems

Outcome 1.1: Improved management effectiveness of existing and new protected areas

Indicator 1.1: Protected area management effectiveness as recorded by Management Effectiveness Tracking Tool

Indicator 1.2: Increased revenue for protected area systems to meet total expenditures required for management

Funding Source: GEF Trust Fund

Implementing Agency: United Nations Development Programme

Implementation Modality: National Implementation Modality (NIM)

Executing Agency: Ministry of Ecology and Natural Resources (MENR)

FINANCIALS:

Project Preparation Grant: USD 72,136

GEF Project Grant: USD 1,291,500

Cofinancing Total: USD 6,491,069

GEF Agency Fees: USD 129,150

Total Cost: USD 7,854,705

PROJECT TIMELINE:

Received by GEF: 29 November 2011

Preparation Grant Approved: 27 March 2012

Concept Approved: 01 June 2012

Project Approved for Implementation: 03 July 2013

State Date: 30 June 2014

Closing Date (Planned): 30 June 2018

MIDTERM REVIEW DETAILS:

Midterm Review Timeframe: March-April 2017

MTR Reporting Language: English

Evaluator:



James Lenoci

The MTR consultant would like to acknowledge the information and feedback provided by interviewed project stakeholders, including the officials from MENR, Gizil-Agaj management and staff, and other project partners. Special thanks are also extended to UNDP staff, including the UNDP CO Deputy Resident Representative and the Senior Program Advisor, and the UNDP-GEF regional technical advisor. The input and feedback provided by the acting project manager has been particularly helpful during the review.

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Executive Summary

Exhibit 1: Project Information Table			
Project Title:	Increasing representation of effectively managed marine ecosystems in the protected area system		
UNDP Project ID (PIMS #):	4327	PIF Approval Date:	27 Mar 2012
GEF Project ID (PMIS #):	4730	CEO Endorsement Date:	03 Jul 2013
Award ID:	72166	Project Document (ProDoc) Signature Date (date project began):	30 Jun 2014
Country(ies):	Azerbaijan	Date project manager hired:	Nov 2014
Region:	Europe and CIS	Inception Workshop date:	30 Jan 2015
Focal Area:	Biodiversity	Midterm Review date:	Mar-Apr 2017
GEF-5 Strategic Program:	BD-1, Outcome 1.1	Planned closing date:	30 Jun 2018
Trust Fund:	GEF TF	If revised, proposed closing date:	N/A
Executing Agency:	Ministry of Ecology and Natural Resources (MENR)		
Other execution partners:	Not applicable		
Project Financing:	at CEO endorsement (USD)	at Midterm Review (USD)*	
[1] GEF financing:	1,291,500	757,459	
[2] UNDP contribution:	150,000	83,682	
[3] Government:	6,341,069	3,110,000	
[4] Other partners:	0	0	
[5] Total cofinancing [2 + 3+ 4]:	6,491,069	3,193,682	
PROJECT TOTAL COSTS [1 + 5]	7,782,569	3,951,141	

*Actual expenditures and cofinancing contributions through 31 December 2016

Project Description

The Government of Azerbaijan has established a network of six protected areas (3 National Parks, 2 State Nature Reserves and 2 State Nature Sanctuaries) located within the coastal zone of the Caspian Sea, covering an area of 175,575ha. A lack of adequate investment in sustaining a professional staff complement; modernizing the planning and management systems; and developing and maintaining infrastructure and equipment in these coastal and marine protected areas is however compromising the Government's capacity to effectively secure the conservation values of these protected areas. The largest of these marine and coastal protected areas - the Gizil-Agaj State Nature Reserve (88,360 ha) and adjacent Lesser Gizil-Agaj State Nature Sanctuary (10,700 ha) - is considered one of the most important wetlands for wintering and breeding waterbirds in the Western Palearctic and thus forms the spatial focus for project interventions.

The objective of the project is *"to improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan's coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability"*. The four-year duration project is organized into two components:

Component 1: Enhanced management effectiveness of the Gizil-Agaj reserve complex.

Component 2: Improved collaborative governance of, and institutional expertise in, the management of marine and coastal protected areas.

Purpose and Methodology

The objective of the MTR was to gain an independent analysis of the progress midway through the project. The MTR focused on identifying potential project design problems, assessing progress towards the achievement of the project objective, and identifying and documenting lessons learned about project design, implementation, and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The project performance was measured based on the indicators of the project results framework and relevant GEF tracking tools. The MTR was an evidence-based assessment and relied on feedback from persons who have been involved in the design, implementation, and supervision of the project, as well as beneficiaries of project interventions, and also review of available documents and findings of the field mission.

Evaluation Ratings

Evaluation ratings are summarized below in **Exhibit 2**.

Exhibit 2: MTR Ratings and Achievement Summary Table		
Measure	MTR Rating	Achievement Description
Project Strategy	Not Rated	<p>The project was approved under the GEF-5 replenishment cycle and aligned to the GEF-5 Biodiversity Strategy, specifically Objective 1, <i>"Improve Sustainability of Protected Area Systems"</i>, and specifically Outcome 1.1, <i>"Improved management effectiveness of existing and new protected areas"</i>.</p> <p>The project is fully consistent with the national strategy of improving the effectiveness of the protected area system in the country, and specifically responds to the priority of establishing a national park at Gizil-Agaj, something the Minister of MENR is advocating. The project concept dates back more than 10 years; for example, it is mentioned in the COP9 National Report to the Ramsar Convention in 2005.</p> <p>The project concept was reconciled during the PIF stage, largely due to the available resources allocated for implementation. The envisaged outcomes associated with improved financial sustainability were reworked, with the approved project having a strong emphasis on activities associated with Gizil-Agaj (Outcome 1) as compared to the system-wide interventions under Outcome 2.</p>
Progress towards Results	Objective Achievement: Moderately Satisfactory	<p>The completed activities during the first half of the project have focused on infrastructure and equipment purchases; approximately USD 500,000 of the USD 757,459 spent has been on infrastructure and equipment. The reported improvements with respect to the financial sustainability of the national system of protected areas are consistent with the increased popularity of the national parks in the country. With respect to capacity development, the most significant gains reported are with respect to institutional capacities. These improvements have been facilitated by both capacity building investments delivered by national government programs and the donor community. In dollar terms, there are increases reported in the total annual budgets allocated for coastal and marine protected areas. For Gizil-Agaj, the budgets have decreased between the baseline year of 2012 and the midterm assessment year of 2016. Over this time period there have been sequential government-imposed currency devaluations. Assessing annual PA budgets in AZN terms, there appears to have been an increase. It is important to note that the currency devaluations exerted certain inflationary pressures; it is also important to factor in inflation, and, hence, this is not a straight forward indicator to assess.</p>
	Outcome 1 Achievement: Moderately Satisfactory	<p>There has been limited progress towards establishing a national park at the Gizil-Agaj reserve complex, except for completing of a geodetic survey and preparation of a GIS map. Data are unavailable regarding total number of mixed breeding colonies of <i>Pelecaniformes</i> and <i>Ciconiiformes</i> and total number of wintering birds. The reserve has monitoring data that might support assessment of these performance metrics, but the project team has not arranged for these data to be compiled and interpreted. There are improvements, i.e., reductions in the numbers of illegal incidents, including violation of fishing permits, number of illegal bird hunting cases, and the number of cattle illegally grazing within the reserve area. These improvements have been attributed to strengthened technical capacities, e.g., new patrol boats, and also clearing of 13 km of boundary canals.</p>
	Outcome 2 Achievement: Moderately Unsatisfactory	<p>Progress towards Outcome 2 results has been limited; only 8% of the indicative budget of USD 293,500 has been expended by midterm. At a system level, there are some increases in PA income per year, most notably sourced from the donor community. The figures reported for entry fees and tourism services, USD 2,400 and 0 USD, respectively, seem too low,</p>

Exhibit 2: MTR Ratings and Achievement Summary Table

Measure	MTR Rating	Achievement Description
		considering the reported increased numbers of visitors to national parks in the country. Development of business plans for the coastal and marine protected areas and delivery of financial training have not yet started. There has also been no progress with respect to ecosystem health monitoring.
Project Implementation and Adaptive Management	Moderately Satisfactory	<p>Certain aspects of project implementation and adaptive management have been commendable. Annual financial delivery has been good, averaging >90%. And, reporting has been timely and informative.</p> <p>The delay in starting up the project, with prolonged recruitment of the project manager did set back the project in terms of delivering outputs, particularly considering that the implementation timeframe is 4 years.</p> <p>Country ownership is low, with limited involvement of governmental partners, apart from the National Project Director (NPD). The NPD is the only government official on the project steering committee, and there have been only four steering committee meetings to date, short of the quarterly frequency called in the project design. Although UNDP CO policy is to convene steering committees once per year, more frequent meetings could possibly facilitate a higher level of country ownership. The acting project manager is being backstopped by the UNDP Senior Programme Advisor, but the acting manager is spending a disproportionate amount of time on administrative tasks compared to strategic issues. There have also been shortcomings with respect to project monitoring and evaluation. The project results framework is not being used as an effective management tool, e.g., in reporting to the steering committee. Stakeholder involvement has also been narrow, with essentially no involvement by other governmental ministries, agencies, and institutions, and limited outreach to the donor community. The project is operating a bit in isolation.</p>
Sustainability	Moderately Likely	<p>The likelihood that project results will be sustained after GEF funding ceases has been enhanced by the achievements of the project by midterm and certain other factors. For example, the financial sustainability score for the national PA system has improved since the baseline assessment in 2012. Some of the terrestrial PAs in the country are particularly popular, with increasing numbers of both domestic and foreign visitors. At the local level, the increased technical capacity of the Gizil-Agaj reserve complex increases the likelihood that management effectiveness will continue to improve over time.</p> <p>There are a number of factors, however, that diminish the prospects that project results will be sustained. Firstly, there has been limited progress with respect to establishing the national park at Gizil-Agaj. Opportunities for improving the financial sustainability of the protected area would continue to be constrained if the national park is not established. Although there are increasing numbers of tourists to national parks in general, visitor numbers for the coastal and marine PAs, such as the Shirvan National Park, are decreasing in recent years. It will take time to raise public awareness and stimulate the private sector to invest. Moreover, economic growth has been most expansive in the urban areas, and there remain certain socioeconomic hardships in the rural regions, including limited opportunities for employment. These conditions perpetuate the demand for illegal poaching and harvesting within protected areas.</p> <p>The uncertainties associated with climate change and transboundary environmental pollution pressures pose further risks to effective management of the coastal and marine protected area sub-system. The project is poised to make meaningful contributions towards reducing these environmental risks through development of ecosystem health based monitoring systems.</p>

Project Progress Summary

The project has been successful in delivering substantive improvements to the technical capacity and physical infrastructure of the Gizil-Agaj reserve complex, including construction of a new 300-m² administration building, plus a new ranger outpost at the main entry point located at the south edge of the reserve; provision of four new motorized patrol boats, four new 4WD field vehicles, and one quadbike; and purchase of other critical equipment, such as field laboratory instruments and supplies, binoculars, digital cameras, ranger uniforms, etc. These investments have significantly bolstered the reserve's capabilities with respect to monitoring and enforcement, and also have bolstered the overall morale of the staff, enabling them to carry out their management duties more effectively.

The approximately 13 km of dredged boundary canals is also a notable achievement. This action has contributed towards reductions in ecosystem pressures, particularly associated with over-grazing by encroaching livestock, and the cleared passages also facilitate response times by ranger staff, thus improving overall enforcement effectiveness.

The project has also facilitated some preparatory steps with regard to the aim of declaring the Gizil-Agaj reserve complex as a national park. The boundaries of the reserve have been surveyed and a GIS map produced, through consultations with local stakeholders. Overall, however, progress towards establishing the national park has been limited, and the system-wide activities planned under Outcome 2 have not yet started. It seems unlikely that the project will be able to achieve the envisaged results by the planned June 2018 closure date. Work plans seem to have implementation extending through the end of 2018, possibly due to the approximate six months delay in starting up the project. It would be advisable to reassess progress at the time of submitting the 2017 PIR report, before deciding whether a no-cost time extension is warranted, and if so, articulate a justification for a specified period.

Summary of Conclusions

The project has implemented a deliberate strategy of focusing first on infrastructure development and equipment purchases, with the aim of strengthening partnership arrangements with national stakeholders and Gizil-Agaj management. This approach appears to have succeeded at the local level, as reserve management and staff seem positively engaged; however, with the heavily centralized structure of protected area management in the country, reserve level management has limited autonomy and decision making authority. At a national level, there are shortfalls with respect to ownership. The project director, the Director of International Cooperation at the MENR, has been consistently involved, but he has been the only governmental official participating in the steering committee meetings. There is day-to-day interaction with MENR staff, but there does not seem to be substantive engagement on technical and strategic aspects. There has been essentially no involvement by other governmental partners, such as the Azerbaijan National Academy of Sciences, the Ministry of Culture and Tourism, etc.

On paper, national government cofinancing has been robust, with approximately 50% of the indicative amount confirmed by midterm, and there is evidence demonstrating government investments in improving infrastructure and management systems for the coastal and marine protected area sub-system. On the other hand, the fact that the new administration building at the Gizil-Agaj reserve has been unoccupied since completion in June 2016, due to lack of a gas supply system that is to be financed by the government, is disparaging and indicates lack of genuine government support to the project.

While the project has remained with the indicative budget of Outcome 1 – there has been minimal spending under Outcome 2 – there have been certain departures with respect to infrastructure investments. For instance, the project design envisaged developing a visitor and education center at the existing Gizil-Agaj administration building, along with some improvements to some of the office spaces. The existing administration building is in a general state of disrepair, as confirmed by the MTR consultant during the mission, and investing money there would likely not be a sensible use of project resources. However, considerably more money was spent on the new building than planned for the renovations, largely at the expense of fewer resources apportioned for clearing boundary canals; approximately USD 60,000 was expended for boundary canal dredging, whereas USD 240,000 was allocated in the indicative budget. The condition and functioning of the hydrological regime of the wetland ecosystem is critical with respect to overall health of the ecosystem.

There have been other purchases, including a tourist boat for bringing tourists from Baku to the eventual national park, that were not included in the project design. The implementation team has also explored the idea of construction of a guest house for the future national park. The boat purchase was based on a general assumption discussed at the June 2016 steering committee, without first carrying out business planning (an activity planned in Outcome 2). Without assessing at the costs and maintenance arrangements associated with a tourist boat activity and affordability issues, this seems to have been a premature investment. In the near term, day visitors might be the main type of tourists visiting the park.

Once the national park is eventually established, the local business community, if provided with some incentives, would likely respond to the locally relevant opportunities.

One of the other factors associated with limited progress on certain project aspects is project management, specifically the lack of a project assistant to support the acting project manager. The current acting project manager is the former project assistant who took over management duties after the contract for the first project manager was terminated after approximately six months, in mid-2015. The UNDP Senior Programme Advisor is providing substantial backstopping, but he has other duties. The acting project manager is spending the majority of his time on procurement and administrative issues, with limited time for liaising with project partners and focusing on strategic issues. The generally weak monitoring and evaluation on the project could also be partly attributed to the fact that the project is running without a project assistant.

In order to deliver the envisaged global environmental benefits, more emphasis needs to be placed on strengthening institutional capacities and governance structures which includes management planning for the Gizil-Agaj reserve, developing financing plans for the national parks within the coastal and marine protected area sub-system, and formulating robust monitoring plans that allow timely and science based assessment of ecosystem health, providing proactive early warning feedback and allowing management authorities to respond more effectively to increasingly complex threats. There is a good chance that the project will satisfactorily deliver the planned results by the time of project closure, if the strategic focus is redirected and available resources are used optimally.

Recommendations

The MTR recommendations, outlined below in **Exhibit 3**, have been formulated with the aim of improving project effectiveness and enhancing the likelihood that project results will be sustained after GEF funding ceases.

Exhibit 3: Recommendations Table		
No.	Recommendation	Responsible Entities
1.	<p>Develop and implement a proactive and participatory plan to facilitate establishment of the Gizil-Agaj National Park. It is imperative that the project initiate activities associated with establishing the national park, including but not limited to:</p> <ul style="list-style-type: none"> a. Constitute the envisaged technical working group (TWG), with broad stakeholder representation. b. Clarify the need for delineating buffer zones, initiate consultations with land owners and local government partners regarding planned expansion area and buffer zones. c. Facilitate the compilation of the requisite documentation, including authorizations from the local Rayons. d. Prepare a critical path based work plan for achieving the project end target (National Park proclaimed), and develop specific terms of references for the key tasks. The 2017 work plan should be updated accordingly. Cofinancing support from the MENR should be integrated into the work plan (e.g., in a separate consolidated Gantt chart, which could be adopted in the next steering committee meeting); sharing responsibilities and ownership of the process. e. Facilitate advocacy for declaring the national park. 	<ul style="list-style-type: none"> a. Led by MENR, with support by project team b. Project team, with support by MENR c. Project team, with input from MENR d. MENR and project team e. MENR, with support by the project team
2.	<p>Facilitate improved country ownership. Certain proactive steps should be taken to facilitate improvements in country ownership, including but not limited to the following:</p> <ul style="list-style-type: none"> a. Review and amend steering committee membership. For example, as outlined in the project document, the MTR consultant concurs with having the MENR Director of Protection of Biodiversity and Development of Specially Protected Nature Assets as a member of the steering committee. b. Increase the frequency of steering committee meetings, convene the meetings at the MENR office, and invite members of the TWG to observe and/or support the meetings. c. Advocate for government investment in construction of gas supply system for the newly constructed administration building at the Gizil-Agaj reserve. d. Working with Gizil-Agaj technical staff, facilitate preparation of an updated Ramsar Information Sheet (RIS) for the wetland site. The current RIS dates back to 2001 and is 	<ul style="list-style-type: none"> a. MENR, UNDP b. Project team c. MENR, supported by project team d. MENR, with inputs from project team and from the Gizil-Agaj PA

Exhibit 3: Recommendations Table

No.	Recommendation	Responsible Entities
	prepared in French language.	
3.	Freeze further infrastructure investment until a reconciled project budget and work plan are developed and agreed upon by the project steering committee. Planned investments on infrastructure and equipment should be suspended until a reconciled work plan is prepared, indicating how residual resources are planned to be allocated over the remaining course of the project.	PSC, with input from the project team
4.	Develop and implement a focused stakeholder involvement plan. Stakeholder involvement should be broadened; some specific actions include but are not limited to the following: <ol style="list-style-type: none"> Experts from the Azerbaijan National Academy of Sciences should be more involved (partnership arrangements need to be determined). Ministry of Culture and Tourism should be involved, particularly with respect to business planning and communication/awareness. Regular interaction should be arranged with administrative and operational staff of the four (4) coastal and marine protected areas. The staff and systems of the Caspian Center for Marine Monitoring should be consulted in development of the ecosystem health monitoring plans. Communication lines should be developed among the donor community in Azerbaijan and also in the Caspian basin as a whole. 	<ol style="list-style-type: none"> MENR, followed up by project team MENR, followed up by project team MENR and project team MENR and project team Project team, with support by MENR
5.	Assess current hydrological regime within the Gizil-Agaj wetland ecosystem and implement specific mitigations, budget permitting. The added value of this project would be enhanced with provision of current information regarding the hydrological regime within the Gizil-Agaj wetland ecosystem. Recognizing that there are limited resources available, a hydrological systems engineer (allocated in the project document) should be recruited to make an assessment. Based upon the results of the assessment, it might be feasible to implement specific mitigation measures. At a minimum a mitigation plan should be prepared as part of the engineering assessment.	Project team, with input from the Gizil-Agaj PA
6.	Consider following the general processes outlined in the EU Marine Strategy Framework Directive (MSFD) in development of the ecosystem health based monitoring plans. Following the guidelines of the MSFD would be consistent with Azerbaijan's progress with respect to approximation to EU directives. Recognizing the project does not have the resources to facilitate full compliance with the MSFD, it would be advisable if project activities would be oriented in that direction. <ol style="list-style-type: none"> Carry out an initial assessment (liaise with MENR on the scope). Establish environmental targets and indicators (keep it simple). Establish and implement a monitoring program (as planned in the project document). 	<ol style="list-style-type: none"> Project team, with support by MENR Project team, with support by MENR Project team
7.	As part of financial planning activities envisaged under Outcome 2, assess and report on the business case associated with the purchase of the tourist boat. The purchase of the tourist boat accounts for nearly 10% of the GEF implementation grant. It would be sensible to support the rationale of this investment with a business case, something that could be completed as part of the business planning activities under Outcome 2.	Project team
8.	Strengthen project monitoring & evaluation and management systems. <ol style="list-style-type: none"> Revisit and update the BD tracking tools, including baseline ones, through a focus group discussion with national and subnational stakeholders. Gizil-Agaj has >20 years of data that has not been fully compiled or interpreted. Work with the operational staff, help develop a simple data management system (e.g., using Excel). Link this to the ecosystem monitoring program, as well as to the project level monitoring requirements. A financial audit should be made of the project, possibly following the completion of calendar year 2017. 	<ol style="list-style-type: none"> Project team Project team, with input from Gizil-Agaj PA UNDP
9.	Bolster project management. As a first step, the acting project manager should be recognized as project manager. Budget permitting, a project management assistant should be recruited to support the project manager with procurement and administrative tasks, allowing the project manager to focus more on strategic aspects and liaising with project partners.	PSC
10.	Articulate a justification for a time extension. The project should reassess progress at the time of preparing the 2017 PIR report, and at that time decide whether a time extension is warranted. In the case a time extension is determined warranted, a justification should be articulated and a	UNDP and MENR, UNDP RTA

Exhibit 3: Recommendations Table

No.	Recommendation	Responsible Entities
	period of time for the extension agreed upon, understanding that only one extension is possible according to current GEF policy.	
11.	Miscellaneous recommendations: <ol style="list-style-type: none"> The project team should confirm whether a construction and occupancy permits are required for the newly constructed administration building at the Gizil-Agaj reserve. If permits are required, they should be retroactively requested, to ensure that documentation is complete before project closure. The Ramsar Secretariat publication “<i>Handbook on the Best Practices for Planning, Design and Operation of Wetland Education Centres</i>”, published in 2014 is a good source to aid the design of the visitor and education center at the Gizil-Agaj wetland. The project should reach out to the Secretariat to the Tehran Convention which is presumably currently based in Baku. Opening communication lines with the Secretariat might lead to entry points for collaboration on regional projects and programs, thus enhancing the likelihood that project results would be sustained after GEF funding ceases. Implementing a photograph competition among Gizil-Agaj ranger staff, using the new digital cameras, could be a good way to improve staff morale and also provide hands-on training in improving staff skills in taxonomy. 	<ol style="list-style-type: none"> MENR and project team Project team, with input from Gizil-Agaj PA and support from MENR MENR, followed up by project team Gizil-Agaj PA, with support by project team

Abbreviations and Acronyms

Exchange Rate, AZN:USD (31 March 2017) = 1.7233

ACG	Azerbaijan Coast Guard
AFRSI	Azerbaijan Fishery Scientific Research Institute
ANAS	Azerbaijan National Academy of Sciences
AWP	Annual Work Plan
AZN	Azerbaijan New Manat
BD	Biodiversity (GEF focal area)
BMU	German Federal Ministry for Environment and Nuclear Safety
BMZ	German Federal Ministry for Economic Cooperation and Development
CAPEX	Capital Expenditures
CBD	Convention on Biological Diversity
CCEMA	Caspian Complex Environmental Monitoring Administration
CIS	Commonwealth of Independent States
CITES	Convention on International Trade in Endangered Species
CNF	Caucasus Nature Fund
COP	Conference of Parties
CPI	Consumer Price Index
EU	European Union
GEF	Global Environment Facility
GEF TF	GEF Trust Fund
GIS	Geographical Information System
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
GPS	Global Positioning System
ha	hectare
HR	Human Resources
IDP	Internal Displaced Person
IUCN	International Union for the Conservation of Nature
KfW	KfW Entwicklungsbank
LPAC	Local Project Appraisal Committee
M&E	Monitoring and Evaluation
MA	Ministry of Agriculture
MCT	Ministry of Culture and Tourism
MENR	Ministry of Ecology and Natural Resources
METT	Management Effectiveness Tracking Tool
MF	Ministry of Finance
MJ	Ministry of Justice
MTR	Midterm Review
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-Government Organization
NIM	National Implementation Modality
NP	National Park
NPD	National Project Director
OPEX	Operating Expenditures
PA	Protected Area

PIR	Project Implementation Review
PSC	Project Steering Committee
RCU	(UNDP) Regional Coordinating Unit
REC-Caucasus	Regional Environmental Center for the Caucasus
RTA	(UNDP) Regional Technical Advisor
SBAA	Standard Basic Assistance Agreement
SBS	State Border Service
SLCC	State Land and Cartography Committee
SMA	State Maritime Administration
SNR	State Nature Reserve
SNS	State Nature Sanctuary
TC	Tehran Convention
TWG	Technical Working Group (Gizil-Agaj National Park)
UNAPF	United Nations Azerbaijan Partnership Framework
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDP CO	UNDP Country Office
USD	United States dollar
WWF	World Wide Fund for Nature

1. INTRODUCTION

1.1. Purpose of the Review

The objective of the MTR was to gain an independent analysis of the progress mid-way through the project. The review also focuses project strategy, progress towards results, project implementation and adaptive management, and the likelihood that the envisaged global environmental benefits will be realized and whether the project results will be sustained after closure.

1.2. Scope and Methodology

The MTR was an evidence-based assessment, relying on feedback from individuals who have been involved in the design, implementation, and supervision of the project, and also a review of available documents and findings made during field visits. The overall approach and methodology of the evaluation follows the guidelines outlined in the UNDP Guidance for Conducting midterm reviews of UNDP-supported, GEF-financed Projects¹.

The MTR was carried out by an international consultant and included the following activities:

- ✓ An evaluation mission was completed over the period of 27-31 March 2017; the itinerary is compiled in **Annex 1**, and project stakeholders interviewed for their feedback are listed in **Annex 2**.
- ✓ The MTR consultant completed a desk review of relevant sources of information, such as the project document, project progress reports, financial reports, and key project deliverables. A complete list of information reviewed is compiled in **Annex 3**.
- ✓ As a data collection and analysis tool, an evaluation matrix (see **Annex 4**) was developed to guide the review process. Evidence gathered during the fact-finding phase of the MTR was cross-checked between as many sources as practicable, in order to validate the findings.
- ✓ The project results framework was also used as an evaluation tool, in assessing attainment of project objective and outcomes (see **Annex 5**).
- ✓ Project expenditures and cofinancing realized by midterm was assessed and summarized in **Annex 6** and **Annex 7**, respectively.
- ✓ The MTR consultant presented the preliminary findings of the MTR at the end of the mission at a debriefing on 31 March in Baku.
- ✓ The MTR team also reviewed the baseline and midterm versions of the GEF Biodiversity Tracking Tool; the filled-in tracking tool is annexed in a separate file to this report.

1.3. Structure of the Review Report

The MTR report starts out with a description of the project, indicating the duration, principal stakeholders, and the immediate and development objectives. The findings of the review are then broken down into the following aspects:

- Project strategy
- Progress towards results
- Project implementation and adaptive management
- Sustainability

The report culminates with a summary of the conclusions reached and recommendations, formulated to enhance implementation during the final period of the project implementation timeframe.

¹ Guidance for Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects, 2014, UNDP-GEF Directorate.

1.4. Rating Scales

Progress towards results and project implementation and adaptive management are rated according to a 6-point scale, ranging from highly unsatisfactory to highly satisfactory. Sustainability is evaluated across four risk dimensions, including financial risks, socio-economic risks, institutional framework and governance risks, and environmental risks. According to UNDP-GEF evaluation guidelines, all risk dimensions of sustainability are critical: i.e., the overall rating for sustainability is not higher than the lowest-rated dimension. Sustainability was rated according to a 4-point scale, including likely, moderately likely, moderately unlikely, and unlikely.

Rating scale definitions are presented in **Annex 8**.

1.5. Ethics

The review was conducted in accordance with the UNEG Ethical Guidelines for Evaluators, and the MTR consultant has signed the Evaluation Consultant Code of Conduct Agreement form, compiled in **Annex 9**. In particular, the MTR consultant ensures the anonymity and confidentiality of individuals who were interviewed and surveyed. In respect to the UN Declaration of Human Rights, results are presented in a manner that clearly respects stakeholders' dignity and self-worth.

1.6. Audit Trail

As a means to document an "audit trail" of the evaluation process, review comments to the draft report are compiled along with responses from the MTR consultant and documented in an annex separate from the main report. Relevant modifications to the report will be incorporated into the final version of the MTR report.

1.7. Limitations

The review was carried out over the period of February-March, including preparatory activities, field mission, desk review and completion of the report, according to the guidelines outlined in the Terms of Reference (**Annex 10**).

There were no limitations with respect to language for review of written documentation. Interviews were held in English and nearly all project documentation is prepared in English.

In the opinion of the MTR consultant, feedback from stakeholders and field visits are considered representative of the progress made by the project. The key national stakeholders who have been involved in the project were interviewed in person. The primary international consultant, who led the project preparation and also is supporting development of the management plan for the Gizil-Agaj reserve complex, was interviewed via Skype. The MTR mission included a field visit to the Gizil-Agaj reserve complex, which is the focus of Outcome 1 of the project. The newly built administration building, the old administration building, and two of the ten ranger outposts were visited. Due to time constraints and access difficulties, a visit could not be arranged to the proposed expansion area the north edge of the reserve complex.

A visit was also made to the Shirvan National Park, one of the four coastal and marine protected areas, along with Gizil-Agaj. Interviews were held in Baku with a GIZ representative who previously coordinated a KfW funded project on establishing the Samur-Yalama National Park, one of the other coastal and marine national parks.

2. PROJECT DESCRIPTION²

2.1. Development Context

Bolstered by large oil and gas reserves, Azerbaijan has experienced high rates of economic growth starting in the mid-2000s, slowing down in recent years due to the drop in global oil prices. The rapid economic expansion outpaced improvements in regulatory reform and socioeconomic development and also environmental protection. In 2012 the Government prepared a strategic development program for the country entitled “Azerbaijan 2020”, which envisages increased diversification of the economy and significant progress in socioeconomic development.

The coastal region of Azerbaijan is the most intensely used and densely populated area of the country, and is under severe development pressure. One of the priorities of the Government is to enhance conservation the coastal and adjacent marine areas, striking a balance between protection of ecologically valuable and sensitive ecosystems with economic growth. One of the regional strategies adopted to better secure the conservation of the biodiversity of the coastal zone of the Caspian Sea is the establishment and management of a representative system of protected areas. This project provides support to the Azerbaijan government in this regard, with the objective *“to improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan’s coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability”*.

Through expansion of the protected area system in the country, the project design addressed the priorities of the *State Programme for Poverty Reduction and Sustainable Development in the Azerbaijan Republic* (2008-2015), specifically Goal VII, “Improving environmental situation and ensuring sustainable management of environment”. The project is also consistent with UNDAF Outcome 1: Economic Development, which aims *“By 2015, non-oil development policies result in better economic status, decent work opportunities and a healthier environment in all regions and across all social groups”*. With respect to the UN Country Programme Document for Azerbaijan for the period of 2011-2015, the project was aligned with the Environmental Sustainability programme component, Outcome 1.3, *“Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change”*, and specifically programme output 1.3.4, *“1.3.4 Size of marine and other ecosystems registered and managed as Protected Areas expanded”*.

2.2. Problems that the Project Sought to Address

Azerbaijan is situated at the juncture of several bio-geographical areas (the Eastern Palaearctic, Turan, the Mediterranean, Asia Minor, and the Middle East) and contains species of European, Central Asian and Mediterranean origin. The country forms an integral part of the *Caucasus Ecoregion*, a region with exceptional levels of biodiversity (WWF’s Global 200). Azerbaijan also shares the largest inland body of water in the world, the Caspian Sea, with four other countries (Russia, Iran, Turkmenistan and Kazakhstan). The biological diversity of the Caspian Sea and its coastal zone makes the region particularly significant. One of the most important characteristics of the Caspian Sea’s biodiversity is the relatively high level of endemic species among its fauna. However, due to various human activities, plus threats from invasive species, climate change and fluctuations in the water levels of the Caspian Sea, the coastal habitats of the Caspian Sea are constantly changing and biodiversity is declining.

Due to various human activities, plus threats from invasive species, climate change and fluctuations in the water levels of the Caspian Sea, the coastal habitats of the Caspian Sea are constantly changing and biodiversity is declining. As a result, 112 plant species and 240 species of animals in the Caspian Sea coastal zone have been noted by the Caspian Coastal Site Inventory (CCSI) and included in the IUCN Red List (2006) or National Red Books. One species of fungi, one species of lichen, one species of moss, and 109 species of vascular plants make up the list of rare and endangered plant species. Red Book animals are represented

² Project Description information was extracted and summarized from the project document.

by 77 invertebrate species, one species of cyclostomes, 18 species of fish, 7 species of amphibians, 26 species of reptiles, 79 species of birds and 32 species of mammals

One of the regional strategies adopted to better secure the conservation of the biodiversity of the coastal zone of the Caspian Sea is the establishment and management of a representative system of protected areas. In Azerbaijan, the Government has established a network of seven protected areas (3 National Parks, 2 State Nature Reserves and 2 State Nature Sanctuaries) located within the coastal zone of the Caspian Sea, covering an area of 175,575 ha. The largest of these protected areas - the Gizil-Agaj State Nature Reserve (88,360 ha) and adjacent Lesser Gizil-Agaj State Nature Sanctuary (10,700 ha) - is located on the south-western coast of the Caspian Sea. Gizil-Agaj is considered one of the most important wetlands for wintering and breeding waterbirds in the Western Palearctic. It was included on the Ramsar list in 1975, one of only two sites in Azerbaijan listed.

Based on the information contained in the *Fourth National Report to the CBD* (2010), the following are considered the key **threats** to, and **impacts** on, biodiversity.

Land Degradation: Extensive areas of Azerbaijan are being severely impacted by soil erosion and salinization. It is estimated that 3.6m ha (~42% of the territory of Azerbaijan) is subject to the damaging effects of erosion, while 0.6m ha (~7% of the territory of Azerbaijan) is adversely affected by salinization, to the extent that it is now no longer suitable for agriculture. The salinization and erosion of soils tend to be a result of poor irrigation and drainage systems, overstocking of livestock, unsustainable levels of ground water extraction and ongoing deforestation.

Large-scale use of fertilizers, pesticides, and herbicides has also degraded arable lands. This has been mainly caused by uncontrolled imports of these chemicals into the country, as well as the poorly-informed use of these chemicals by local farmers.

Habitat Fragmentation: The alteration and depletion of forest resources has had severe ecological impacts in Azerbaijan. Owing to inadequate energy supplies during the late 1990's and early 2000's, local residents and refugees historically cut wood from forests to provide their households with firewood, resulting in the fragmentation of many forests. In other parts of the country (e.g., on the slopes of the Talish mountains) forests are being still further fragmented as economically valuable timber species (such as nut and oak) are being illegally harvested.

The conversion of the lowland grasslands into agricultural land, through ploughing and scrub removal, is fragmenting many remaining areas of natural steppes. A number of steppe ecosystems are also being further fragmented by the extensive network of irrigation channels, particularly in the Kura-Araz plain.

The construction of dams and reservoirs on the major rivers flowing into the Caspian Sea has created obstacles that are effectively fragmenting riverine habitats for some key species. For example, the construction of the Mingechay and Bahramtapa reservoirs on the Kura and Araz rivers has reduced the breeding areas for anadromous sturgeon species because they are now unable to pass the dams to reach upstream breeding areas.

Unsustainable levels of Natural Resource Use: Land degradation in the grasslands and semi-arid areas of Azerbaijan is increasing at a rapid rate, largely as a result of overgrazing. Livestock husbandry in Azerbaijan is very profitable, so there is continual pressure to increase the size of herds of livestock (mainly sheep, goats and cattle) well beyond the carrying capacity of the vegetation. This is reflected in the incremental increase in both the extent of the areas under grazing pressure, and the intensity of the grazing pressure. The intensive use of pastures in many areas - such as in the Absheron and Gobustan area - is resulting in accelerated soil erosion, and the increasing desertification of land. Further, additional herds have also been brought in by refugees and 'Internal Displaced Persons' (IDP) from the occupied districts around the Dahlig-Garabagh region. Many of the animals owned by these communities are now concentrated in areas that are largely unsuitable for livestock, for a variety of reasons, including competition for water and food near settlements and exclusion from summer grazing areas due to conflicts in some mountainous areas.

In theory, while all hunting is strictly regulated in Azerbaijan, in reality illegal hunting - for both subsistence and commercial purposes - of wild birds and game species is still widespread and poorly controlled.

Overfishing - driven by subsistence uses, the demand of local consumers and international demand for black caviar - is widespread in the Caspian Sea and spawning rivers. In spring, spawning sturgeon in the shallow warmer waters often become the victims of illegal poachers. Indiscriminate methods – such as the use of explosives, electric shocking and poisoning - are threatening stocks of sturgeon and other fish species. The Convention on International Trade in Endangered Species (CITES) has now listed all sturgeon species as threatened, including all commercial Caspian varieties. The regulation of fishing licenses and quotas are also not always effectively administered by some of the Caspian littoral states.

Of the approximately 1 billion m3 of fresh water used each year, just under 300 million cubic meters are lost due to the poor state and management of the water distribution systems in Azerbaijan. Of the water used, 70% is sourced from neighboring countries, and there is currently an annual water deficit in the country of ~400 million cubic meters.

Pollution: The Caspian Sea not only suffers from oil pollution, but also from a massive inflow of other pollutants originating from the industries in the river basins of its tributaries, mainly the Volga and Kura-Araz basin. Even today, untreated municipal, industrial and agricultural wastes from some neighboring countries still adds to the flow of the Kura river (which is an important source of water for Azerbaijan) - via the Mingachevir Reservoir (which fortunately acts as a settlement area for some of the pollutants) - through Azerbaijan to the Caspian Sea.

Soils throughout the region have also been impacted by DDT and toxic defoliants used in the cotton production during the Soviet era.

Invasive Species: There are several species that are considered to be invasive in Azerbaijan. One of the most notable is the comb jelly *Mnemiopsis leidyi* - an introduced species that invaded the Caspian Sea through the Volga Don channel. Its population has now multiplied to the extent that the biomass of the population has exceeded the general productive biomass of the sea. It has no natural predators, and climatic conditions favor its growth and reproduction. It feeds on animal plankton, including the planktonic larvae of fish, and as such, is capable of seriously undermining economically and biologically important fish (e.g., sturgeon) and mammal (e.g., Caspian Seal) populations.

Invasive plant species include the widely distributed common ragweed (*Ambrosia artemisiifolia*), buffalobur nightshade (*Solanum rostratum*) and the Russian knapweed (*Acrotilion repens*).

The introduced American raccoon (*Procyon lotor*) has now successfully spread into most of the forests of Azerbaijan. The invasive fall webworm (*Hyphantria cunea*) is also known to cause substantial damage to commercially grown ornamental trees and shrubs and to several agricultural crops.

Climate Change: The biodiversity of the marine and coastal environment in Azerbaijan may be particularly vulnerable to the effects of climate change. At present, most scientists seem to agree that climate change plays a significant role in sea level fluctuations in the Caspian Sea, since temperature increases and changes in precipitation directly impact the overall water balance. It is forecasted that mean annual temperatures in the Caspian Sea will increase by between 3.7 and 4.90 C by the middle of next century, while annual precipitation will increase by an average of 52mm (GFDL, CCC and UKMO models) or decrease by between 4-8mm (GISS model). There is, however, still a lack of reliable data, information and analysis of climate change on water level fluctuations and the associated social, environmental and economic impacts.³

Barriers to Improving Management Effectiveness

Based upon the situational analysis made at the project preparation phase, two fundamental barriers were identified as hindering progress towards improving management effectiveness of the coastal and marine protected areas of Azerbaijan, with particular focus on the Gizil-Agaj complex.

³ Various studies carried out by the Caspian Sea littoral states vary greatly in their analysis of the impacts of climate change (as noted in the project document)

Barrier No. 1: *Inadequate planning, funding, staff, infrastructure and equipment to effectively manage the consolidated Gizil-Agaj reserve complex*

Reserve planning: At the time of project preparation, the Gizil-Agaj reserve complex currently did not have an overarching management plan to strategically guide and direct its resourcing, development and operations. Outdated Soviet-era reserve management approaches in the complex had not kept pace with the rapid socioeconomic and developmental changes taking place in the surrounding region, and best practices in the conservation sector.

Reserve budget: The actual human resource, operational and capital budget needs for the reserve had not been objectively estimated. Funding for annual operational expenditure was typically determined by the previous year's budget allocation, and consistently had little reference to the actual operational needs of the reserve complex. Little to no funds had been allocated by the government for any capital expenditure in the reserve, leaving the management unable to replace ageing infrastructure and large equipment/vehicles. Annual funding allocations for the operational budget are currently inadequate to meet even basic levels of reserve management, or to adequately maintain the reserve's rundown infrastructure and equipment. The salaries of reserve staff were based on very low public service rates of remuneration (average of AZN 120-140 per month). The mechanism to generate revenue for the reserve complex was the income accrued from fines, which is not fully retained by the reserve. Because state nature reserves in Azerbaijan are closed to all visitors - except for scientists with a personal letter of permission from the Minister of the MENR - there are very few other options to improve revenue generation from the sustainable use of the reserve complex and its natural resources.

Enforcement and compliance: During the Soviet era, the reserve was demarcated by shallow canals along most of its inland boundaries. However, during the last 20 years many of these canals had filled up, due to a lack of adequate maintenance (this is particularly problematic along the reserve perimeter between Ag-Gusha and Khazar), resulting in uncontrolled movement of sheep and cattle into and through the reserve complex. A network of ranger outposts was also established during Soviet times to improve the enforcement and compliance coverage. However, limited resources to man and equip these outposts, and the poor maintenance of the physical infrastructure at the outposts, have incrementally reduced their coverage and efficacy. This situation was further exacerbated by the poor local coverage of mobile phone communications, and the absence of an internal park radio communications system for enforcement and compliance staff.

Communities living in villages immediately adjacent to the reserve have, for many years, traditionally engaged in fishing and bird hunting. With limited alternative sources of revenue for these communities - combined with a weak reserve enforcement capability and the strict protected area classification - illegal fishing and hunting activities were prevalent within the reserve complex and increasingly difficult to regulate/control. Because of the poor salaries of reserve staff, some staff members had reportedly even been supplementing their salaries by colluding with poachers. This further reduced the capacity of the reserve management to contain illegal hunting and fishing activities.

Infrastructure and equipment: The majority of the reserve infrastructure (i.e. roads, viewing towers, gates, buildings, bulk services) was constructed some 30-40 years ago. While the reserve's main administrative offices (located outside the park boundaries) were recently renovated, inadequate budget allocation for general maintenance had resulted in the current state of disrepair of most of the infrastructure in the reserve. The reserve had no computerized facilities and no communications network. Most of the reserve's limited fleet of vehicles were either not functional or are constantly breaking down and in dire need of replacement. The few existing boats were too slow and unreliable to act as an effective deterrent for the well-equipped poachers.

Water flow management: A series of canals and sluices were previously installed in the reserve to *inter alia*: manage water levels; regulate impacts of flood events; establish waterways; improve conditions for fish movements; and provide habitat for migratory bird species. However, most of the sluices in the reserve were not operational anymore and a number of the channels were silting up. Further, the initial conceptual design of the system of sluices and canals was no longer appropriate as the sea levels of the

Caspian Sea have fallen (since 1995) and the flow regimes and water quality of the freshwater feeder rivers (notably the Veleshchay River) had changed. The reserve management did not currently have an overarching strategy for maintaining a healthy estuarine ecosystem in the reserve and securing the safety of neighboring villages from flood events.

Barrier No. 2: *Limited capacities for the coordinated planning, resourcing and administration of the network of marine and coastal protected areas*

Staffing and resourcing: At the time of project preparation, the staffing complement in the MENR was inadequate to meet the optimal *in situ* operational requirements of the marine and coastal protected areas. Almost 90% of the recurrent expenditures in these protected areas comprise human resource costs, with insufficient financing allocated to operational and maintenance costs. Capital expenditures constituted a very low (0-3%) proportion of total expenditure, implying an ongoing severe under-capitalization of the protected areas. Key high level management, technical and professional skills were not well represented in the staff complement of the marine and coastal protected areas. Enforcement capability was still weak as a result of inadequate numbers, training and equipment, with illegal activities in and around a number of marine and coastal protected areas consequently poorly regulated. The scientific expertise to support the planning and management of marine and coastal protected areas was limited to a very small number of staff within the supporting units of the MENR and in Azerbaijan National Academy of Sciences (ANAS), many of whom are approaching retirement age. The use of external expertise and capacity to assist in the development of the marine and coastal protected areas had not yet been optimally developed.

Strategic and management planning systems: There was a need to develop a consolidated strategic/business plan and sustainable financing plan to proactively guide the future development, administration and funding of the protected area system. There were no formal monitoring and evaluation systems that objectively assess the performance of MENR in achieving the conservation (and other) objectives of the protected area system. While some national parks had initiated management planning processes, there was to date no standardized format for, and approach to, the development of management plans for protected areas.

Collaboration and cooperation with NGO and donor agency partners: The extent of the involvement of NGOs and donor agencies in supporting the planning and management of coastal and marine protected areas was limited to the efforts of a handful of NGOs (i.e., WWF, REC-Caucasus, and Azerbaijan Ornithological Society) and donor agencies (e.g., German Government and EU). This was in part due to the low levels of cooperation between NGOs/donors and the MENR, the strict restrictions on access to protected areas, and a general lack of an institutional culture in MENR of actively involving NGOs and donors in the planning and management of protected areas. The slow decision-making procedures and processes in MENR sometimes resulted in delaying the implementation of projects, leading to a loss of momentum, with the accompanying frustrations for all project partners.

Protected area expansion: While the 'State Programme for Poverty Reduction and Sustainable Development' set a national target of increasing the coverage of protected areas to 12% of the country, the detailed spatial information on how this was to be achieved, and where, was not yet fully developed at the time of project preparation. Although some recent reports, such as the 'Potential Analysis for Further Nature Conservation in Azerbaijan: A Spatial and Political Investment Strategy' (Michael Succow Foundation, 2009) did propose some areas for the expansion of existing, and establishment of a number of new PAs in the marine and coastal areas of Azerbaijan, the criteria for the systematic identification and prioritization of these areas (i.e., irreplaceability levels, minimum size requirements, ecosystem integrity, ecological process requirements, etc.) was not agreed upon. The benefits of the protected area system design in mitigating or adapting to the impacts of climate change had also not yet been identified.

Knowledge management systems: The available baseline information for defining areas of biodiversity significance in the coastal and marine areas of Azerbaijan was generally difficult to source and, where it does exist, was not regularly maintained and updated by the MENR. There was no consolidated and accessible database for the protected area system, including the coastal and marine protected areas. Some

of the key baseline information - such as the spatial distribution of vegetation types and red data plant species, distribution and population profiles of fish species or ecological processes in the terrestrial and marine environments – was not readily available. For example, at the habitat or species representation level it was difficult to assess gaps in the current network of coastal and marine protected areas as there were not adequate biodiversity datasets - such as complete vegetation/habitat maps or species distribution databases - with which to conduct such assessments. The monitoring data for marine and coastal protected areas - such as water quality data or seasonal bird counts – was fragmented and needed to be consolidated into a database to guide ongoing decision-making processes. The research in marine and coastal protected areas was often implemented in an *ad hoc*, opportunistic manner, and there is seemingly a disjuncture between the research needs/priorities of the protected area management and those of the academic institutions undertaking the research.

Public awareness: The conservation challenges for the administration of a network of coastal and marine protected areas were further compounded by the fact that the level of public awareness of the values of these protected areas was generally low. A perception existed that protected areas were not readily accessible to the public for recreation and natural resource use and that their existence typically precludes all other options for economic development. This attitude was perpetuated by the approach to the management of all SNRs in Azerbaijan, which prohibit any economic activity from taking place within the reserve. There is seemingly no ‘sense of ownership’ in local communities of the marine and coastal protected areas, leading to the ongoing exploitation of the natural resources (illegal fishing, illegal hunting, etc.) in these areas with little inherent sense of responsibility for the well-being of these protected areas. While there have been some communication, education and awareness campaigns implemented by the MENR and some NGOs (notably WWF) in the coastal region of Azerbaijan, the extent and reach of these programs was limited. There were many opportunities for ‘experiential learning’ by school and university learners within the marine and coastal protected area network that remain undeveloped. There were also few structural mechanisms for integrating the wider public interests into the management of the marine and coastal protected areas.

2.3. Project Description and Strategy

The project was designed to address the barriers described above, with the goal *“To establish, and effectively manage, a system of protected areas to conserve representative samples of Azerbaijan’s globally unique biodiversity”*.

The total cost of the project is USD 7,782,569, which includes a GEF implementation grant of USD 1,291,500 and cofinancing contributions from MENR and UNDP totaling USD 6,491,069.

The project objective is “To improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan’s coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability”, and two specific outcomes were envisaged to achieve this end result:

- Outcome 1: Enhanced management effectiveness of the Gizil-Agaj reserve complex (indicative budget: USD 875,500)
- Outcome 2: Improved collaborative governance of, and institutional expertise in, the management of marine and coastal protected areas (indicative budget: USD 293,500)

The first component of the project is focused on improving the management capacity of Gizil-Agaj to address the external threats to, and pressures on, the conservation values of the reserve complex, including *inter alia*: pressures from building/agricultural encroachments; environmental impacts of livestock grazing/browsing; effects of illegal bird hunting; threats from inflows of pollutants; and effects of illegal fishing activities. The outputs under this component are specifically directed towards:

- (i) Expansion and consolidation of the Gizil-Agaj State Nature Reserve, the Lesser Gizil-Agaj State Nature Sanctuary and other adjacent unprotected areas of high biodiversity (and/or strategic) significance into a single new national park;

- (ii) Preparation of an integrated management plan for the newly established national park;
- (iii) Demarcation of the boundary of, and renovation/construction of access control infrastructure in, the national park; and
- (iv) Procurement of critical equipment for improving the enforcement and compliance function in the national park.

The second component of the project focuses on system level issues, including creating the enabling conditions for increasing, diversifying and stabilizing the financial flows to coastal and marine protected areas; and developing and implementing a long term monitoring system to ensure that the integrity of ecosystems are not pushed over critical thresholds in the commercialization of and resource utilization within coastal and marine protected areas. The outputs under this component are specifically directed towards:

- (i) Preparation of a sustainable financing plan for the network of coastal and marine protected areas;
- (ii) Strengthening the capacities of the Department of Protection of Biodiversity and Development of Specially Protected Nature Areas to pilot priority activities identified in the financing plan; and
- (iii) Design and implementation of a long-term monitoring system to track the health of ecosystems in coastal and marine protected areas.

2.4. Implementation Arrangements

The project is being implemented over a period of four years, under a national implementation modality (NIM).

The lead Executing Agency (Implementing Partner) is the Ministry of Ecology and Natural Resources (MENR), in line with the Standard Basic Assistance Agreement (SBAA of 6 January, 2001) and the UNDP's Country Programme (CP) 18 for Azerbaijan (2011-2015). The MENR has the overall responsibility for achieving the project goal and objectives. The MENR is directly responsible for creating the enabling conditions for implementation of all project activities. The MENR has designated a senior official to act as the national project director, who is tasked with providing strategic oversight and guidance to project implementation.

The day-to-day administration of the project was envisaged to be carried out by a national project manager, with the support of a project administrative assistant, both based in Baku. The project manager has the authority to administer the project on a day-to-day basis on behalf of MENR, within the constraints laid down by the project steering committee. The project manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The project manager prepares annual work plans in advance of each successive year and submits them to the steering committee for approval. The project manager is also tasked with liaising and working closely with all partner institutions to link the project with complementary national programs and initiatives. The project manager is accountable to the national project director for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds.

The project steering committee has been constituted to serve as the executive decision making body for the project. The steering committee was envisaged to consist of the National Focal Point for Biodiversity in Azerbaijan, the Head of the Department on Protected Areas of MENR, the UNDP Deputy Resident Representative, and the Representative of UNDP's Sustainable Development Unit in Azerbaijan. The steering committee ensures that the project remains on course to deliver the desired outcomes of the required quality.

The approved annual work plans form the basis for allocating resources to planned project activities. Once the steering committee approves the annual work plan, it is sent to the UNDP Regional Technical Advisor for Biodiversity at the GEF Regional Coordinating Unit (RCU) for clearance. Once the annual work plan is cleared by the RCU, it will be sent to the UNDP-GEF Unit in New York for final approval and release of the

funding. The project manager is also tasked with producing quarterly operational reports and annual progress reports for review by the project steering committee. These reports are meant to summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities.

2.5. Project Timing and Milestones

Project Milestones:

Received by GEF:	29 November 2011
Preparation Grant Approved:	27 March 2012
Concept Approved:	01 June 2012
Project Approved for Implementation:	03 July 2013
Start Date:	30 June 2014
Closing Date (Planned):	30 June 2018

The project identification form (PIF) was approved in June 2012, and following the project preparation phase, the project obtained approval for implementation by the GEF CEO on 03 July 2013. The Local Project Appraisal Committee (LPAC) was held on 30 August 2017, and the project document was signed by the Government of Azerbaijan nearly one year later, on 30 June 2014, the official start date of the project. The 4-year duration project is slated to close on 30 June 2018.

Recruitment of the project manager took some time, with the position filled in late November 2014. The first project steering committee meeting was convened in November 2014, and the project inception meeting was held in January 2015.

2.6. Main Stakeholders

The main stakeholders for the project and their expected roles and responsibilities, as outlined in the stakeholder involvement plan in the project document, are listed below.

Organization	Mandate of the organization	Anticipated roles and responsibilities in the project
Ministry of Ecology and Natural Resources (MENR): - Department of Protection of Biodiversity and Development of Specially Protected Nature Areas - Department of Reproduction and Protection of Biological Resources of Water Bodies (<i>Azerbaijan Fishery Scientific Research Institute (AFSRI)</i>)	MENR is the central executive authority responsible for the protection of the environment; sustainable use and management of water, air, soil and biological resources; waste management; environmental impact management; meteorological forecasting; and environmental and hydrological surveying and monitoring.	MENR is the GEF and CBD (Convention on Biological Diversity) focal point. MENR will thus have overall responsibility for the implementation of the project. The Department of Protection of Biodiversity and Development of Specially Protected Nature Areas will coordinate all project activities and will be responsible for the direct implementation of a number of activities. AFSRI will provide scientific support on maritime information to the project.
Azerbaijan National Academy of Sciences (ANAS): - Institutes of Botany and Zoology (IBZ)	ANAS is the state institution responsible for developing basic and applied research in the social, natural, humanitarian and technical sciences. ANAS coordinates and manages the activities of all research institutions and higher educational establishments.	IBZ will prepare a scientific basis for determining the boundaries of protected area. Scientists will be recruited to undertake the necessary research activities in support of project activities. IBZ will prepare scientific justification for the government of any necessary changes in the system of protected areas.
Ministry of Agriculture (MA)	MA is the central executive body responsible for regulating and controlling the means of agricultural production and processing. It develops and implements state policy in land reclamation and irrigation. It also provides agricultural planning; veterinary; horticultural; plant protection; and quarantine support services to the agricultural industry.	MA will provide agriculture sector inputs into decisions about the protected area classification for any new protected areas established under the project.
State Land and Cartography Committee (SLCC)	SLCC is the central executive power body responsible for land surveying; land demarcation; registration of land ownership and rights; land mapping; land use planning; land reform; and land use monitoring.	SLCC will survey the boundaries of any protected areas expanded or newly established under the project. SLCC will prepare all documentation in support of the allocation of land for any protected areas expanded or established under the project. SLCC will prepare maps for any protected areas expanded or established under the project.

Organization	Mandate of the organization	Anticipated roles and responsibilities in the project
Ministry of Culture and Tourism (MCT)	MCT is an executive for culture, arts, heritage monuments, publishing and cinematography. MCT is also responsible for the planning, marketing and development of tourism.	MCT will provide assistance and support in the planning, development and marketing of tourism enterprises in marine and coastal protected areas.
Ministry of Justice (MJ)	MJ is central executive authority responsible for preparing and gazetting national legislation and regulations.	MJ will support the preparation of any legislation or regulations that may be required during implementation of the project.
Ministry of Economic Development (MED)	MED is the central executive authority responsible for socio-economic development and international cooperation, including <i>inter alia</i> : macroeconomics, trade, investment, and business development.	MED will provide technical assistance in the financial planning for the network of marine and coastal protected areas.
Ministry of Finance (MF)	MF is the central organ of executive power for national financial policy and the management of state finances. The MF prepares, administers and monitors the state budget.	MF will approve funds to be allocated as co-financing for the project. MF will approve the annual and medium-term operational and HR budget allocations for existing marine and coastal protected areas. MF will approve a capital, operational and HR budget allocations for any new/ expanded protected area established by the project.
Coastal rayons (notably the Neftchala, Masally and Lenkaran rayons traversing Gizil-Agaj reserve complex)	The Chief Executive of each of the rayons is responsible for local implementation of the President of Azerbaijan's executive powers.	The rayon administrations will approve the proposed extent of any new/expanded protected area, and issue orders on the allocation of any new lands to that protected area.
State Maritime Administration (SMA)	SMA is the administration responsible for the regulation and administration of: maritime navigation and safety; registration of ships; hydrographic services; marine port facilities; and protection of the marine environment.	SMA will prepare opinions regarding navigation routes affecting marine protected areas. SMA will provide assistance in the prevention of ship-based pollution in and adjacent to marine and coastal protected area.
State Border Service (SBS): The Azerbaijan Coast Guard (ACG)	The SBS is a state law enforcement agency responsible for protecting and securing the country's borders.	SBS will advise on, and support implementation of, measures that may be required to secure the country's marine or coastal borders, and control illegal activities (e.g. drug or gun trafficking), in marine and coastal protected areas.
Local municipalities	Municipalities are responsible for resolving a range of social, economic and ecological problems within the territories of municipalities that are outside the control of the relevant State programs. These may include programs to address issues in the areas of education, health, culture, local infrastructure and roads, communication services, cultural facilities, and assistance to old, poor and sick people and children without parents.	The Municipality will participate in the organization of project-based awareness-raising programs in coastal and marine protected areas. The Municipality will support the project in works with local groups (fishermen, hunters, students, etc.). The Municipality will collaborate with the project in identifying and developing alternative livelihoods opportunities for local people.
Donor agencies and conservation trusts	The donor agencies (e.g. GIZ, BMZ, EU and BMU) and conservation trusts (e.g. CNF) financing protected area activities in Azerbaijan will be important project partners. They will share, coordinate and collaborate with the project as and where relevant.	
NGOs	NGOs - most notably REC-Caucasus, WWF and Azerbaijan Ornithological Society -are important project partners. They will share, coordinate and collaborate with the project as and where relevant.	

3. FINDINGS

3.1. Project Strategy

3.1.1. Project Design

The project was approved under the GEF-5 replenishment cycle and aligned to the GEF-5 Biodiversity Strategy, specifically Objective 1, *“Improve Sustainability of Protected Area Systems”*, and specifically Outcome 1.1, *“Improved management effectiveness of existing and new protected areas”*.

The project is fully consistent with the national strategy of improving the effectiveness of the protected area system in the country, and specifically responds to the priority of establishing a national park at Gizil-Agaj, something the Minister of MENR is advocating. The project concept dates back more than 10 years; for example, it is mentioned in the COP9 National Report to the Ramsar Convention in 2005:

In the source of Gizilaghac State Nature Reserve, covering area about 100.000 hectare and including Upper and Lower Gizilaghac bays which are in Ramsar list for purpose of establishment of Gizilaghac National Park and the State Reserve in delta of Kura River, the project was prepared and submitted to GEF/UNEP.

The project concept was reconciled during the PIF stage, largely due to the available resources allocated for implementation. The envisaged outcomes associated with improved financial sustainability were reworked, with the approved project having a strong emphasis on activities associated with Gizil-Agaj (Outcome 1) as compared to the system-wide interventions under Outcome 2.

The project is consistent with the priority actions outlined in the updated National Biodiversity Strategy and Action Plan (NBSAP), approved by the President on 3 October 2016; including Action 6.4.1, Expansion of protected areas, including in the Azerbaijani sector of the Caspian Sea and terrestrial areas, with the aim of achieving the total extent of protected areas in the republic will be enlarged by 12% in terrestrial areas and by 2% in coastal areas.

The project has also been integrated into the UN Country Programme Document for the Republic of Azerbaijan (2016-2020), which is based on the new United Nations Azerbaijan Partnership Framework (UNAPF), specifically with respect to UNAPF Outcome #3, *“By 2020, sustainable development policies and legislation are in place, better implemented and coordinated in compliance with multilateral environmental agreements, recognize social and health linkages and address issues of environment and natural resources, energy efficiency and renewable energy, climate change and resilience to natural and human-induced hazards”*, and Indicative Country Programme Output 3.2, *“National and subnational capacities are improved to ensure better planning, management and sustainability of the coastal and marine ecosystems of the Caspian Sea”*.

3.1.2. Results Framework

As part of this midterm review, the strategic results framework for the project was assessed against “SMART” criteria, whether the indicators and targets were sufficiently specific, measurable, achievable, relevant, and time-bound. With respect to the time-bound criterion, all targets are assumed compliant, as they are set as end-of-project performance metrics.

The project results framework is well put together, and is largely compliant with SMART criteria.

Project Objective:

There are four indicators at the project objective level, and three of the four are based on GEF and UNDP scorecards, including the financial sustainability scorecard which is part of the GEF Biodiversity tracking tool; the UNDP capacity development scorecard; and the management effectiveness tracking tool, which is also part of the GEF Biodiversity tracking tool. The other indicator under the objective level is associated with total annual budget allocation for the coastal and marine protected area sub-system in the country.

The MTR SMART analysis of the objective level section of the project results framework is presented below in **Exhibit 4**.

Exhibit 4: SMART analysis of project results framework (project objective)							
Indicator	Baseline	End-of-Project target	MTR SMART analysis				
			S	M	A	R	T
Objective: To improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan’s coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability							
1. Financial sustainability scorecard for national system of protected areas	15%	>35%	Y	Y	Y	Y	Y
2. Capacity development indicator score for protected area system	Systemic: 34% Institutional: 20% Individual: 13%	Systemic: >50% Institutional: >40% Individual: >25%	Y	Y	Y	Y	Y
3. Total annual budget (HR, OPEX and CAPEX) allocation for marine and coastal PAs (US\$/ha)	All PAs: US\$3.03/ha Gizil-Agaj: US\$ 2.53/ha	All PAs: >US\$4/ha Gizil-Agaj: >US\$4/ha	?	?	?	Y	Y
4. Management Effectiveness Tracking Tool scorecard: Gizil-Agaj	25%	>45%	Y	Y	Y	Y	Y
SMART: Specific, Measurable, Achievable, Relevant, Time-Bound Green: SMART criteria compliant; Yellow: questionably compliant with SMART criteria; Red: not compliant with SMART criteria							

The indicators were found to be SMART compliant, except for a few concerns regarding Indicator No. 3, the one associated with annual PA budgets. The baseline and proposed end target are set in USD, whereas local budgets are tracked in AZN. Assessing performance against this indicator is therefore not straight forward, particularly considering that the AZN has steadily been devalued over the course of the project, which has in turn, exerted considerable inflationary pressure.

Outcome 1:

There are six indicators under Outcome 1, each of which is sufficiently specific and measurable, as outlined below in Exhibit 5.

Exhibit 5: SMART analysis of project results framework (Outcome 1)							
Indicator	Baseline	End-of-Project target	MTR SMART analysis				
			S	M	A	R	T
Outcome 1: Enhanced management effectiveness of the Gizil-Agaj reserve complex							
5. Extent (ha) of area surveyed, and formally proclaimed and managed as the Gizil-Agaj national park	0 ha ⁴	>100,000 ha	Y	Y	Y	Y	Y
6. Total number of mixed breeding colonies of Pelecaniformes and Ciconiiformes ⁵ in Gizil-Agaj	70,000	>100,000	Y	Y	?	Y	Y
7. Total number of wintering waterbirds ⁶ in Gizil-Agaj	400,000	400,000 – 500,000	Y	Y	?	Y	Y
8. Average number (#/month during spawning season) of illegal sturgeon poaching incidents (or violation of fishing permits) occurring in Gizil-Agaj	Spring: >8 ⁷ Autumn: >6	Spring: >2 Autumn: >2	Y	Y	Y	?	Y
9. Average number (#/month during winter) of recorded illegal bird hunting incidents occurring in Gizil-Agaj	Winter: >25/month ⁸	Winter: <10/month	Y	Y	Y	?	Y
10. Average number (#/month/year) of cattle illegally grazing in Gizil-Agaj	>500/month	<10/month	Y	Y	Y	Y	Y
SMART: Specific, Measurable, Achievable, Relevant, Time-Bound Green: SMART criteria compliant; Yellow: questionably compliant with SMART criteria; Red: not compliant with SMART criteria							

⁴ The existing Gizil-Agaj complex comprises a total area of 99,060 ha, of which 88,360 is designated as a SNR and 10,700 is designated as a SNS.

⁵ Including cormorants, herons, grebes, egrets, spoonbills and ibis.

⁶ Including surface-feeding ducks, diving ducks and coots.

⁷ The baseline record of illegal sturgeon poaching incidents in spring and autumn will be revised and updated in year 1 of project implementation (based on final 2012 enforcement records for the reserve complex).

⁸ The baseline record of illegal bird hunting incidents in spring and autumn will be revised and updated in year 1 of project implementation (based on the final 2012 enforcement records for the reserve complex).

The achievability of Indicator Nos. 6 and 7, which entail changes in the numbers of breeding colonies of *Pelecaniformes* and *Ciconiiformes* and wintering waterbirds, respectively, is questionable. Implementing improved enforcement capacities and routines that lead to verifiable changes in bird counts might be difficult to achieve over the course of a four year project. It might have been more sensible to set a target of no decrease in numbers from the baseline figures. Before considering possible adjustments to the performance targets, it would be advisable to compile and assess the approximate 20-year dataset kept at the reserve.

With respect to Indicator Nos. 8 and 9, associated with decreases in the number of illegal incidents, it could be plausible that the number of incidents actually increases in the short term, as a result of improved enforcement capacities and routines. Over time the numbers would be expected to decrease, but it might take longer than four years before verifiable decreases are apparent.

Outcome 2:

There five indicators under Outcome 2, as outlined below in **Exhibit 6**.

Exhibit 6: SMART analysis of project results framework (Outcome 2)							
Indicator	Baseline	End-of-Project target	MTR SMART analysis				
			S	M	A	R	T
Outcome 2: Improved collaborative governance of, and institutional expertise in, the financial management of marine and coastal protected areas							
11. Income/annum (US\$), by source, from marine and coastal protected areas	Government: US480,822 Donors: US\$277,720 Entry fees: US\$3,902 Tourism services: US\$0 Fines: US\$45,356 Resource use: US\$0 Concessions: US\$0 (baseline year = 2011/2012)	Government: >US\$750,000 Donors: >US\$500,000 Entry fees: >US\$15,000 Tourism services: >US\$10,000 Fines: >US\$75,000 Resource use: >US\$10,000 Concessions: >US\$10,000 (target year = 2016/17)	?	?	?	Y	Y
12. Number of MENR staff completing in-service financial training and skills development programmes	0	>10	Y	Y	Y	Y	Y
13. Number of non-state stakeholder institutions and private sector businesses investing in, and/or supporting the administration of, marine and coastal protected areas	Donor agencies: 2 NGOs: 1 Private businesses: 0	Donor agencies: 4 NGOs: 2 Private sector: 2	Y	Y	?	Y	Y
14. Number of business plans operational in individual marine and coastal national parks	0	4	Y	Y	Y	Y	Y
15. Number of indicators of ecosystem health being regularly monitored and used to guide decision-making in marine and coastal protected areas	0	>10	Y	Y	Y	Y	Y
SMART: Specific, Measurable, Achievable, Relevant, Time-Bound Green: SMART criteria compliant; Yellow: questionably compliant with SMART criteria; Red: not compliant with SMART criteria							

With respect to Indicator No. 11, the baseline and end targets are USD based and similar as the case for Indicator No. 3, there are difficulties in assessing performance, needing to account for both currency devaluation and inflation. There is also a question of achievability of this indicator, as it will take time for the strengthened financial capacities to affect verifiable change with respect to annual income levels. Similarly for Indicator No. 13, the number of non-State stakeholders participating in the financing or administration of coastal and marine protected areas is largely beyond the control of the project.

3.1.3. Gender Mainstreaming Analysis

As part of the project preparation phase, the UNDP Environmental and Social Screening Checklist was filled in. "No" was answered for the following two questions:

- Does the proposed project include activities and outputs that support *upstream* planning processes that potentially pose environmental and social impacts or are vulnerable to environmental and social change?
- Does the proposed project include the implementation of *downstream* activities that potentially pose environmental and social impacts or are vulnerable to environmental and social change?

Potential risks associated with social equity and gender inclusion were concluded not relevant in this case.

The indicators in the project results framework are not disaggregated by gender. A gender analysis was not made at project preparation or afterwards, and there is no specific gender dimension in the project. Gender questions were raised at the project review phase. The project responded by explaining that the anticipated direct socioeconomic and gender equity benefits of the project will be small to insignificant. The response further indicated that *“although project will identify approaches to, and mechanisms for, the direct involvement of the private sector, local communities and women in the ongoing provision of tourism/recreation services in, and sustainable resource use from, marine and coastal protected areas, it is not able to quantify the extent and nature of the likely beneficiation to be derived from these efforts”*.

3.2. Progress towards Results

3.2.1. Progress towards Outcomes Analysis

Objective: To improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan’s coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability	
Progress towards achieving the project objective is rated as:	Moderately Satisfactory

The completed activities during the first half of the project have focused on infrastructure and equipment purchases; approximately USD 500,000 of the USD 757,459 expended was spent on infrastructure and equipment. The reported improvement with respect to the financial sustainability of the national system of protected areas (see **Exhibit 7**) is consistent with the increased popularity of the national parks in the country.

Exhibit 7: Progress towards results (Project Objective)				
Indicator	Baseline	Midterm status	End-of-Project target	MTR Assessment
Date:	2011/2012	Dec 2016	Jun 2018	
1. Financial sustainability scorecard for national system of protected areas	15%	21%	>35%	Marginally on target
2. Capacity development indicator score for protected area system	Systemic: 34% Institutional: 20% Individual: 13%	Systemic: 38% Institutional: 36% Individual: 17%	Systemic: >50% Institutional: >40% Individual: >25%	Marginally on target
3. Total annual budget (HR, OPEX and CAPEX) allocation for marine and coastal PAs (US\$/ha)	All PAs: USD 3.03/ha Gizil-Agaj: USD 2.53/ha	All PAs: USD 3.56/ha Gizil-Agaj: USD 2.14/ha	All PAs: >USD 4/ha Gizil-Agaj: >USD 4/ha	Marginally on target
4. Management Effectiveness Tracking Tool scorecard: Gizil-Agaj	25%	33%	>45%	Marginally on target

With respect to capacity development, the most significant gains reported are with respect to institutional capacities. These improvements have been facilitated by both capacity building investments delivered by national government programs and the donor community. In dollar terms, there increases are reported in the total annual budgets allocated for coastal and marine protected areas. For Gizil-Agaj, the budgets have decreased between the baseline year of 2012 and the midterm assessment year of 2016. Over this time period, from 2011/2012 until December 2016, there have been sequential government-imposed currency devaluations. At face value terms in AZN, have been increase in total annual budgets. It is important, however, to note that currency devaluations imposed over the past few years have contributed to

inflationary pressures; current inflation rates are approximately 12%, up from approximately 2% in 2014 (see **Exhibit 8** below).



Exhibit 8: Azerbaijan inflation (CPI), 2012-2017

Assessing performance with respect to this target is not straight forward, as not only should currency devaluation be considered but also inflation should be factored into the assessment.

Outcome 1: Enhanced management effectiveness of the Gizil-Agaj reserve complex

Progress towards achieving Outcome 1 results is rated as:

Moderately Satisfactory

Indicative budget in project document:

USD 875,500

Actual cost incurred on this Outcome through 31 December 2016:

USD 676,072

Progress towards achieving the end targets under Outcome 1 is summarized below in **Exhibit 9**.

Exhibit 9: Progress towards results (Outcome 1)				
Indicator	Baseline	Midterm status	End-of-Project target	MTR Assessment
Date:	2011/2012	Dec 2016	Jun 2018	
5. Extent (ha) of area surveyed, and formally proclaimed and managed as the Gizil-Agaj national park	0 ha ⁹	0 ha	>100,000 ha	Not on target
6. Total number of mixed breeding colonies of Pelecaniformes and Ciconiiformes ¹⁰ in Gizil-Agaj	70,000	Data unavailable for review	>100,000	Unable to assess
7. Total number of wintering waterbirds ¹¹ in Gizil-Agaj	400,000	Data unavailable for review	400,000 – 500,000	Unable to assess
8. Average number (#/month during spawning season) of illegal sturgeon poaching incidents (or violation of fishing permits) occurring in Gizil-Agaj	Spring: >8 ¹² Autumn: >6	Spring: >6 Autumn: >4	Spring: >2 Autumn: >2	On target
9. Average number (#/month during winter) of recorded illegal bird hunting incidents occurring in Gizil-Agaj	Winter: >25/month ¹³	Winter: <10/month	Winter: <10/month	On target
10. Average number (#/month/year) of cattle illegally grazing in Gizil-Agaj	>500/month	33/month	<10/month	On target

⁹ The existing Gizil-Agaj complex comprises a total area of 99,060 ha, of which 88,360 is designated as a SNR and 10,700 is designated as a SNS.

¹⁰ Including cormorants, herons, grebes, egrets, spoonbills and ibis.

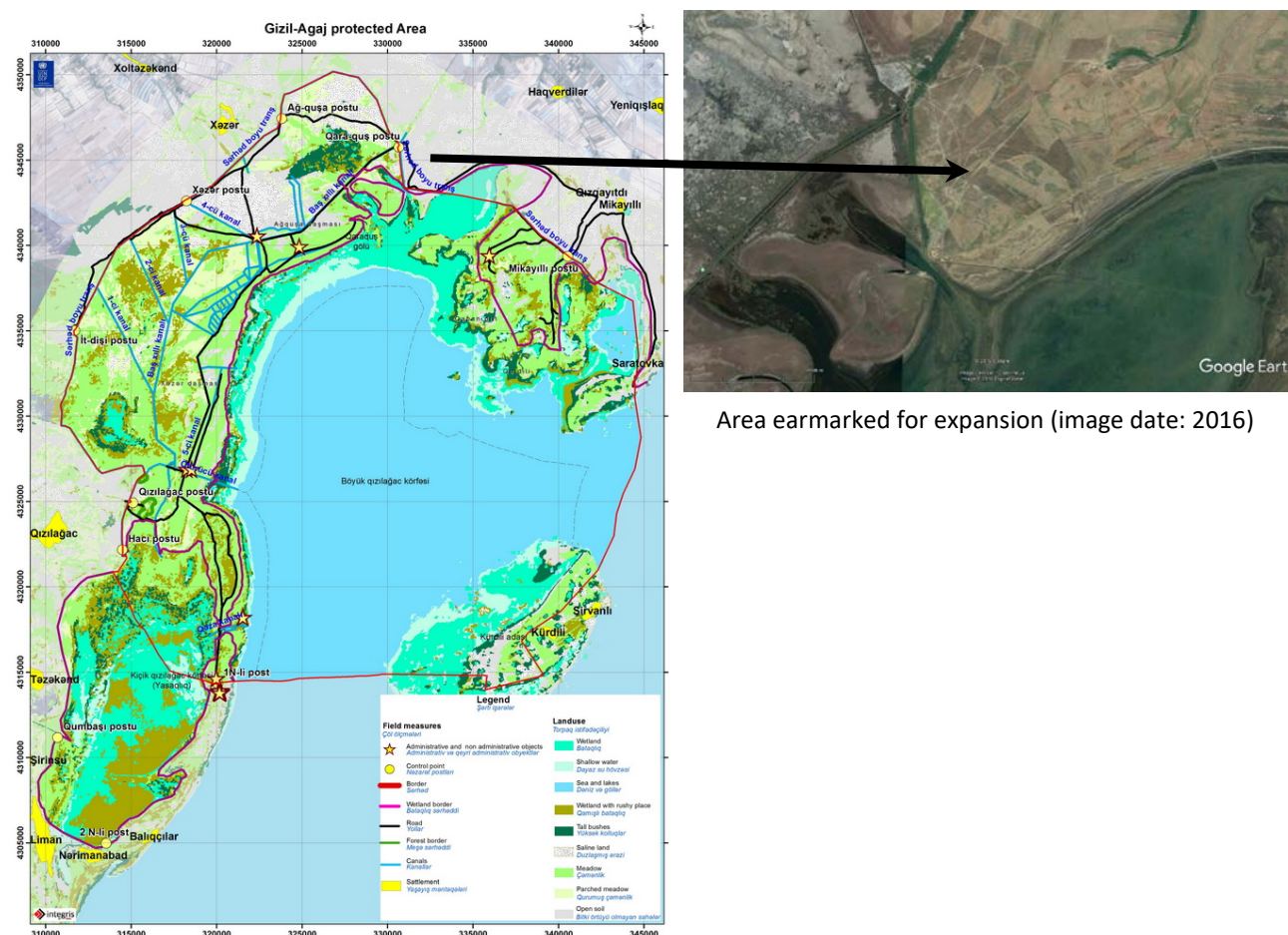
¹¹ Including surface-feeding ducks, diving ducks and coots.

¹² The baseline record of illegal sturgeon poaching incidents in spring and autumn will be revised and updated in year 1 of project implementation (based on final 2012 enforcement records for the reserve complex).

¹³ The baseline record of illegal bird hunting incidents in spring and autumn will be revised and updated in year 1 of project implementation (based on the final 2012 enforcement records for the reserve complex).

Outcome 1 is focused on the Gizil-Agaj reserve, with the first output aimed at establishing a national park that would include the Gizil-Agaj State Nature Reserve, the Lesser Gizil-Agaj State Nature Sanctuary, and an envisaged expanded area at the north side of the reserve. The project document includes a prescriptive outline of the proposed activities for this output, starting with constituting a technical working group, with representation from reserve management, key government ministries (e.g., MENR, SLCC, SMA), academic and research institutions (e.g., ANAS), and affected Rayons (Neftchala, Masally, and Lankaran), to drive and guide the process of establishing the national park. Formation of this working group has not yet started - something the MTR consultant considers a significant shortcoming with respect to achieving the end result.

Through a contract with the company Integris LLC at a value of USD 59,998, the project has facilitated a geodetic survey of the reserve area and preparation of a GIS based map, as presented below in **Exhibit 10**.



**Exhibit 10: Image of GIS map prepared of the
Gizil-Agaj reserve complex**

Prior to the survey, the project organized an inception meeting with key local stakeholders, including representatives of the three Rayons. A separate stakeholder meeting was held to present the results of the

survey and GIS map and obtain feedback regarding the surveyed borders. The generated map has not yet been certified by the State Land and Cartography Committee (SLCC), now an entity of MENR, and responsible for land surveying, land demarcation, registration of land ownership and rights, land mapping, land use planning, land reform, and land use monitoring. During the project inception meeting in December 2014, representatives of the SLCC indicated their readiness to support the project. When the project procured surveying and mapping activities, the SLCC was in the process of merging into the MENR and reportedly could not render support to the project.

There have not yet been consultations with landowners and community representatives of the area to the north of the reserve earmarked for expansion. According to reserve staff, this area is usually flooded and there are essentially no land use activities there. Looking at the Google Earth image that is copied above along with **Exhibit 10**, there seems to be unsurfaced roads or paths transecting the area. It would be advisable to begin negotiations with landowners and local government partners as soon as possible.

There is also a general sense of uncertainty regarding whether or not buffer zones will be required to be delineated for the national park. During a visit on 31 March to the nearby Shirvan National Park, park officials indicated that the following Monday, 3 April, they had a meeting planned with ministry, local government officials, and other stakeholders to discuss delineation of buffer zones. Clearly, the issue of buffer zones is topical and should be addressed for Gizil-Agaj.

With respect to the envisaged management plan for the Gizil-Agaj reserve complex, a contract has been concluded with an international consultant, and work is slated to begin in the first half of 2017.

The indicative budget allocation for Output 1.3, *“Demarcate the park boundary, and renovate the access control infrastructure”*, was approximately 50% of the USD 875,000 slated for Outcome 1, and USD 240,000 was set for opening, clearing, and maintaining some of the boundary canals at the reserve complex. By midterm, the project had arranged the dredging of approximately 13 km of boundary canals, mainly along a stretch between the Ağ-quşa and Qara-quş ranger outposts at the north of the reserve, and a small section near the newly built administration building at the 1N-Li entry point at the south side. Through a competitive bidding process, a local contractor provided an excavator and operator to carry out the dredging, for a total cost of USD 60,250, which is about 25% of the allocated funds. According to the project team, additional dredging is not planned, but they are planning on procuring marker buoys along the marine boundaries of the reserve.

The MTR consultant questions whether the completed boundary canal dredging fulfils the underlying objective, particularly considering that the money spent is much lower than envisaged and the USD 40,000 (representing 4 km) in stock fencing had also not been erected. During the LPAC meeting in August 2013, an issue was raised regarding whether the project funds were sufficient to impart sufficient impacts with respect to cleaning and refurbishing the canals that connect the Gizil-Agaj gulf and the Lesser Gizil-Agaj water body. A MENR official commented that considerably more money would be required to fully refurbish the canals, and LPAC meeting parties agreed that project would endeavor to accomplish as much as practicable with the available resources, and additional financing would be sought for addressing restoration of the hydrological regime of the Gizil-Agaj ecosystem.

With respect to improve boundary control, the 13 km of dredged canals has made a substantive contribution. The planning of the dredging work, however, did not seem to account for optimizing the hydrologic functioning of the wetland. Under the indicative budget for Output 1.2, USD 24,000 was allocated for a hydrological systems engineer. The MTR consultant supports this plan of having a hydrological systems engineer support the development of the management plan; the engineer should also assess the current hydrologic flow regime in the ecosystem, including possible further improvements to the boundary canal dredging activities. For example, during the MTR field mission, dredged soils were observed stockpiled on each side of certain stretches of the canals, as depicted in the photograph in **Exhibit 11**.



Exhibit 11: Photograph of dredged soil stockpiled on both sides of boundary canal
(photo taken by J. Lenoci on 30 March 2017)

These raised stockpiles could possibly impeded inundation, thus disrupting the periodic flooding and drying of the wetland, albeit recognizing it is a partly constructed ecosystem. The local rangers assured the MTR consultant that the subject area where the stockpiles were observed is never flooded. This very well may be the case, but it would be prudent to have a hydrogeological systems engineer assess the hydrological flow regime in the wetland ecosystem, as well as inspect the completed dredging work and possibly recommend levelling off certain sections of the stockpiled canal banks.

Part of the reason of under-spending on boundary canal dredging is associated with the decision to finance the construction of a new administration building and associated features for the Gizil-Agaj reserve. Under Output 1.3, the indicative budget included USD 20,000 for upgrading two control entry points, USD 4,000 for equipment in the upgraded entry points, and USD 46,000 for developing a visitor interpretative and education facility, which was envisaged to be installed at the existing administration building. As recorded in the project document, certain renovations had recently been made at the administration building but the facility did not have a visitor center and there were also need for further renovation.

After the start of project, implementing partners came to the realization that the existing administration building, which is situated within the nearby village at the southern edge of the reserve, was in a general state of disrepair, and questioned the sensibility of installing a visitor center there and also making further renovations. A decision was made to use project resources to construct a new administration building, located inside the park, at the location of the N1-Li entry point. The MTR consultant visited the existing administration building during the field mission in March 2017, and found the structure to be dilapidated state and under-utilized. The footprint of the building is much larger than required – which represent significant inefficiencies in energy consumption and other services. The value of making an investment in that building would be questionable. However, the decision to construct a new building, at considerable higher cost, is a significant departure from the budget allocation within Outcome 1. The cumulative cost for the building (and associated features) is USD 203,790, as itemized below in **Exhibit 12**.

Exhibit 12: Cost breakdown for New Administration Building and Associated Features

Item	Cost (USD)
Construction of a New Administrative Building for Gizil-Agaj PA; Remodeling of access control infrastructure and outpost	147,797
Local Evaluation Engineer	2,800
Electric energy supply for Gizil-Agaj PA	30,000
Furniture for the newly built Gizil-Agaj PA building	11,267
4x25 electric cable (100 m) for the newly built Administrative building	983
Fire Alarm system and 4 fire extinguishers	1,831
Purchase and install of door and entrance plates for Gizil-Agaj New Admin building and access control entry points	1,218
IT and Communication system	1,831
IT and Communication equipment (telephone, routers, cables, switches and jackets)	1,085
Renovation of a watchtower, fencing and purchase and installation of a water tank	4,978
Total cost	203,790
Note: Information provided by the project management unit.	

The building has approximately 300 m² of space, including a laboratory room and a dedicated area for a visitor and education center, which the project is also designing and planning to construct in the second half of the project. The cost for the visitor and education center is not included in the sum presented in **Exhibit 12**. An entrance gate was built at the location of the new administration building and a new ranger outpost. The entrance gate and front side of the new administration are shown in the photographs below in **Exhibit 13**.



Exhibit 13: Photographs of Gizil-Agaj reserve management staff and new administration building
(photo taken by J. Lenoci on 29 March 2017)

In addition, USD 30,000 of project resources were used to bring electrical energy supply to the new administration building. The building was completed in June 2016, but as of March 2017, when the MTR mission was held, the office is unoccupied; however, the ranger outpost appears to be in use. The main reason for not yet occupying the administration building is the lack of gas supply, needed for the heating system. The radiators and other plumbing fixtures were built in as part of the construction, but the

Government has reportedly agreed to finance the gas supply. The fact that the gas supply has not yet been constructed is worrisome, indicating a general lack of ownership.

The MTR consultant inquired whether construction and occupancy permits were obtained for the construction of the new administration building. Gizil-Agaj management staff indicated that permits were not required, as the building was built on reserve property. The MTR consultant recommends that the project team confirm with the local government whether construction and occupancy permits are required.

Additional budget was allocated under Output 1.3 for renovation of ranger outposts. USD 35,000 was earmarked for renovation, for five of the ten outposts at USD 7,000 per unit, and an additional USD 9,000 was included for furnishings and communication equipment for the outposts, at USD 1,500 per outpost. By midterm, the project has arranged to construct one new outpost, at the location where the new administration is built. The project team is contemplating what further ranger outpost renovation or construction to carry out during the second half of the project. The MTR consultant visited three of the ten outposts, the newly constructed one and two old ones. The old outposts, including the Ağ-quşa one, were built at least 50 years ago, have had little to no investment since that time, are too large, as they were reported originally designed to accommodate two ranger families whereas currently two rangers are residing in the outposts at one time, and they are in a state of disrepair, as shown in the photographs below in **Exhibit 14**.



Exhibit 14: Photographs of the Ağ-quşa ranger outpost (photos taken by J. Lenoci on 30 Mar 2017)

Spending money renovating the existing outposts would not be a sensible use of project resources, in the opinion of the MTR consultant, due to the poor structural state of the buildings. Other options being considered include constructing smaller, new units, or providing portable structures. Before a decision regarding outposts is made it would be advisable to assess remaining resources available in accordance with the tasks yet to be completed under Outcome 1.

The implementing partners have also explored the option of constructing a guest house for the eventual national park, either by constructing a new building or retrofitting an existing structure. Such as guest house was not envisaged in the project design, and in the opinion of the MTR consultant, it would be

premature to construct a guest house before the national park is established and before the business plan for the park has been developed.

The project has made substantive contributions with respect to critical park equipment, according to activities implemented under Output 1.4. Four 4WD Lada Niva field vehicles have been procured, as well as a 9-seat Peugeot minivan. The indicative budget included USD 70,000 for two field vehicles, at USD 35,000 apiece. The project managed to provide four Lada Niva vehicles at a combined cost of USD 40,453. This allowed procurement of the minivan, at a cost of USD 23,977, and also a quadbike for patrolling, at a cost of USD 13,000. According to plan, four aluminum boats with outboard motors were acquired for a cumulative cost of USD 40,000, which also includes 16 lifejackets, 4 lifebuoys, 4 searchlights, 4 batteries, and 4 flashers. Photographs of one of the Lada Niva vehicles and one of the patrol boats are shown below in **Exhibit 15**.



Exhibit 15: Photographs of one of the Lada Niva 4WD vehicles and patrol boats procured
(photos taken by J. Lenoci on 30 March 2017)

The project has also financed uniforms, both summer and winter, for the ranger staff, along with 10 binoculars, 55 handheld lights, 10 first-aid kits, 55 water flasks, 20 sleeping bags, 55 ranger bags, 6 tents, 3 portable generators, 3 GPS units, and 3 digital cameras. This gear and equipment is a significant boost to the technical capacity and also to the morale of the staff. Interviewed rangers were happy with the uniforms and equipment. As a possible way to further increase staff morale and also facilitate capacity building, the MTR consultant recommends holding regular photograph competitions among the ranger staff using the new digital cameras. Providing a modest prize could help ensure participation and the activity would also be a good way to facilitate training in taxonomy.

Some additional equipment were also procured and delivered for supporting system level improvements in PA monitoring; including 1 aerometer, 1 barometer, 4 thermometer hygrosopes, 2 alcohol lamps, 1 test tube rack, 6 flasks, 3 forceps, 1 chemical scale, 3 scalpels, 4 computer printers, 4 wireless mouse units, 4 antivirus protection licenses, two binoculars, and a professional digital camera. Water testing equipment was also purchased at a cost of USD 12,500. The timing of these purchases of monitoring equipment seems too early, in the opinion of the MTR consultant. It would have been advisable to first develop a monitoring

plan, something that is slated to be carried out under Outcome 2 and also will be addressed in the management plan. Purchasing monitoring equipment should be based upon what indicators will be monitored, for example.

A key component of the envisaged critical equipment is two-way radio communication. USD 85,000 was allocated for the system, including a base station, consoles, repeaters, radios, and chargers. Procurement of this system is planned for the second half of the project, according to the project team. By midterm, USD 294,674 has been expended under Output 1.4, compared to the USD 260,000 outlined in the indicative budget in the project document.

One of the purchases made under Output 1.4 has been for a 9-meter tourist boat, along with 2 x 200-HP outboard motors. This boat was not envisaged in the project design, but was mentioned during the June 2016 project steering committee meeting by the project director, for carrying tourists from Baku to the coastal and marine national parks to the south, including Gizil-Agaj. Following this steering committee recommendation, the boat was procured, at a combined cost of USD 123,000, which includes USD 72,000 for the aluminum boat and USD 51,000 for the two outboard motors. In the opinion of the MTR consultant, it would have been advisable to support this recommendation with a business case before proceeding with procurement of the boat. Business planning is one of the activities planned under Outcome 2. There are many factors that should be assessed, including affordability for typical tourists, maintenance obligations and financing, and the feasibility of bringing such a boat into the Gizil-Agaj marine ecosystem.

Outcome 2: Improved collaborative governance of, and institutional expertise in, the financial management of marine and coastal protected areas

Progress towards achieving Outcome 2 results is rated as:

Moderately Unsatisfactory

Indicative budget in project document:

USD 293,500

Actual cost incurred on this Outcome through 31 December 2016:

USD 23,639

Progress towards Outcome 2 results has been limited; only 8% of the indicative budget of USD 293,500 has been expended by midterm. At a system level, there are some increases in PA income per year, most notably sourced from the donor community. The figures reported for entry fees and tourism services, USD 2,400 and 0 USD, respectively, seem too low, considering the reported increased numbers of visitors to national parks in the country.

Based upon assessment of progress towards results envisaged under Outcome 2, the project is on track in realizing 3 of the 6 end of project targets, as summarized below in **Exhibit 16**.

Exhibit 16: Progress towards results (Outcome 2)				
Indicator	Baseline	Midterm status	End-of-Project target	MTR Assessment
Date:	2011/2012	Dec 2016	Jun 2018	
11. Income/annum (US\$), by source, from marine and coastal protected areas	Government: USD 480,822 Donors: USD 277,720 Entry fees: USD 3,902 Tourism services: USD 0 Fines: USD 45,356 Resource use: USD 0 Concessions: USD 0	Government: USD 553,203 Donors: USD 525,000 Entry fees: USD 2,400 Tourism services: USD 0 Fines: USD 66,800 Resource use: USD 0 Concessions: USD 0	Government: >USD 750,000 Donors: >USD 500,000 Entry fees: >USD 15,000 Tourism services: >USD 10,000 Fines: >USD 75,000 Resource use: >USD 10,000 Concessions: >USD 10,000	Marginally on target
12. Number of MENR staff completing in-service financial training and skills development programmes	0	0	>10	Not on target
13. Number of non-state stakeholder institutions and private sector businesses investing in, and/or supporting the administration of, marine and coastal protected areas	Donor agencies: 2 NGOs: 1 Private businesses: 0	Donor agencies: 4 NGOs: 1 Private sector: 0	Donor agencies: 4 NGOs: 2 Private sector: 2	Marginally on target

Exhibit 16: Progress towards results (Outcome 2)				
Indicator	Baseline	Midterm status	End-of-Project target	MTR Assessment
Date:	2011/2012	Dec 2016	Jun 2018	
14. Number of business plans operational in individual marine and coastal national parks	0	0	4	Not on target
15. Number of indicators of ecosystem health being regularly monitored and used to guide decision-making in marine and coastal protected areas	0	0	>10	Not on target

Development of business plans for the coastal and marine protected areas and delivery of financial training have not yet started. There has also been no progress with respect to ecosystem health monitoring.

3.2.2. Remaining Barriers to Achieving the Project Objective

A considerable amount of work remains in order to achieve the project objective and outcomes. Some of the barriers that need to be overcome in the second half of the project include:

Low country ownership: Proactive involvement of the MENR is required under both Outcome Nos. 1 and 2. There has been insufficient progress with respect to establishing the Gizil-Agaj national park. The MENR should lead this process, but the project team will need to facilitate it, starting with constituting the envisaged technical working group. Representation of MENR should also be expanded on the project steering committee, and meetings should be convened more frequently. With regard to the system level activities under Outcome 2, it will also be important to have substantive involvement by senior MENR officials.

Narrow stakeholder involvement: The project is operating too much in isolation. Stakeholder involvement should be broadened, including engagement with the ANAS, SLCC, the Ministry of Culture and Tourism, other government institutions, as well as with the donor community.

Capacity limitations: Project management is delivered by the acting project manager, who is backstopped by the UNDP Senior Program Advisor. A project manager assistant should be recruited to provide support with respect to procurement and administrative tasks, freeing up the project manager to focus on more strategic issues.

3.3. Project Implementation and Adaptive Management

Project Implementation and Adaptive Management is rated at: Moderately Satisfactory

3.3.1. Management Arrangements

Project Steering Committee

The project steering committee has convened four times: November 2014, January 2015, January 2016, and June 2016. This is much less frequent than the quarterly frequency outlined in the project document.

The only government representation on the steering committee is the National Project Director, the Director of International Cooperation at the MENR. The description of the steering committee in the project document called for the Director of the MENR Department of Protection of Biodiversity and Development of Specially Protected Nature Assets to also be a member. The MTR consultant concurs with this, and recommends that steering committee representation be expanded.

The meeting minutes are concise, providing a general overview of the discussions. There is no evidence of results focused discussion, e.g., including a detailed review or summary of the PIR reports.

The steering committee meetings have been convened in the UNDP office in Baku. As a project operating under a national implementation modality (NIM), it would seem more appropriate to hold the meetings at the MENR office, and invite relevant staff from MENR and other ministries as observers.

GEF Agency (UNDP)

The day-to-day administration of the project is carried out by an acting project manager, with substantial backstopping support from the UNDP Azerbaijan Senior Program Advisor. The UNDP Country office in Baku has provided extensive support to the project, including on administrative issues, financial reporting, and procurement support. As with other GEF-financed NIM projects in Azerbaijan, procurement of goods and services is managed by UNDP, using the UNDP system and procedures.

A narrative entry was made in the 2016 project implementation review (PIR) report by the UNDP Senior Program Advisor. The 2015 PIR report did not contain a narrative entry by the UNDP CO, only a rating for progress towards development objective and project implementation.

Technical advisory has been delivered by the UNDP-GEF regional technical advisor (RTA) based in Istanbul. The RTA participated in the inception meeting and provides regular support to the project team in Baku.

A financial audit has not yet been prepared for the project. The MTR consultant feels that it would be prudent to carry out a financial audit, particularly considering there were USD 4,500 per year allocated in the monitoring and evaluation plan for annual project audits.

Executing Agency / Implementation Partners

The Executing Agency (Implementing Partner) for this project is the MENR. Support and oversight is being delivered by the NPD, the Director of International Cooperation.

A project manager was recruited at the end of 2014, but only worked for six months due to unsatisfactory management performance. The project assistant has since worked as acting project manager.

The PIR reports for years 2015 and 2016 do not contain narrative entries or ratings by the Implementing Partner. In the opinion of the MTR consultant, this is an indirect indication of low country ownership of the project.

3.3.2. Work Planning

The GEF Secretariat approved the project for implementation on 03 July 2013, and it took essentially one year for the Azerbaijan Government to approve the project document, on 30 June 2014, considered the official start date of the project. There were further delays in starting up the project, partly due to the time required to recruit a project manager. The project inception meeting was held on 30 January 2015.

The annual work plans are prepared using the standard UNDP template, and the acting project manager is maintaining detailed supporting and inter-connected Excel files. The project results framework is not integrated with work planning processes, e.g., the performance targets are not indicated in the annual work plans. For the second half of the project, the MTR consultant recommends implementing critical path work planning, and integrating performance targets into the work plans. Critical path work planning involves identifying which activities are "critical" (i.e., on the longest path) and which cannot be delayed without making the project longer. Implementing critical path work planning would enable more control on time management and resource allocation. It would also be advisable to clearly identify responsibilities for the respective work tasks, including the MENR and other enabling stakeholders. This will be particularly important for the process of establishing the Gizil-Agaj national park.

3.3.3. Finance and Cofinance

Financial Expenditures

By midterm, defined as the start of the project on 30 June 2014 through 31 December 2016, USD 757,459 or 59% of the USD 1,291,500 GEF implementation grant had been expended, as broken down below **Exhibit 17**.

Exhibit 17: Actual expenditures through midterm					
Outcome	Actual Expenditures by Midterm* (USD)				GEF Grant
	2014	2015	2016	Total	Prodoc Budget
Outcome 1	18,815	346,775	310,482	676,072	875,500
Outcome 2	495	1,843	21,302	23,639	293,500
Project Management	5,189	30,269	22,290	57,748	122,500
Total	24,500	378,887	354,073	757,459	1,291,500

Figures in USD; Source: Combined delivery reports (CDR), provided by UNDP

*Midterm defined as project start 30 Jun 2014 through 31 Dec 2016

The majority of spending has been under Outcome 1, with 77% expended of the USD 875,500 indicative budget allocated for this component. Spending on Outcome 2 activities has been minimal, with only 8%, i.e., USD 23,639 expended of the indicative USD 293,500 component budget.

The budgeted project management costs were 9.5% (USD 122,500) of the USD 1,291,500 GEF implementation grant. The cumulative project management costs by midterm are USD 57,748, which is approximately 7.6% of the total spent by midterm.

Annual financial delivery rates have been consistently high: 100% in 2014, 88% in 2015, and 98% in 2016. Outcome level expenditures compared to annual work plan budgets are compiled in **Annex 6**.

The monitoring and evaluation plan includes a line item for financial audits, at a cost of USD 4,500 were allocated per year; there have been no audits made for this project by midterm. According to the UNDP Country office staff, an individual project audit has not been requested to date by the UNDP Headquarters, upon receipt of an annual audit plan for the office each year.

Procurement of goods and services has proceeded through the UNDP system, based upon competitive bidding processes. The largest single procurement has been for the construction of the new administration building, completed at a cost of USD 147,797 (converted from AZN).

With local project costs in AZN and the GEF grant in USD, there have been some efficiency gains as a result of the sequential devaluations the Government has imposed in recent years, as shown below in **Exhibit 18**.



Exhibit 18: AZN:USD exchange rates 2013-2016¹⁴

A consolidated asset register was not available at the time of the MTR mission. The project has been regularly transferring assets to the MENR, with detailed documentation. Project investment on infrastructure and equipment has been significant, totaling nearly USD 500,000, which is roughly 66% of the total spent of the GEF implementation grant through midterm.

Cofinancing

The total sum of indicative cofinancing at project approval was USD 6,491,069, and included grant contributions UNDP totaling USD 150,000, in-kind contributions from the national government (MENR) at USD 200,000, and grant cofinancing from MENR at USD 6,141,069. By midterm, according to information

¹⁴ Source: MoneyWeek

available provided by the project team, the amount of confirmed cofinancing is USD 3,193,682, or 49% of the total indicative amount at project approval. A summary of project cofinancing is presented in the cofinancing table in **Annex 7**.

According to the cofinancing details provided, the Government is investing national funds for improving management effectiveness and infrastructure within the PA system, including construction of ecotourism facilities at the Shirvan National Park, financing the electrification of outposts, construction and improvements of roads within national parks and reserves, etc. Based upon these examples of government funding, operationalizing the new administration building at the Gizil-Agaj reserve through funding the gas supply system should be well within their means.

There are other interventions supported by the donor community and NGOs that are not being tracked as cofinancing contributions. In fact, one of the performance indicators within the project results framework is associated with an increase in non-State sources of funding for supporting administration of coastal and marine protected areas. The MTR consultant recommends compiling this information – which should anyway be part of the monitoring and evaluation system - and account these non-State investments as cofinancing. Based upon a decision in 2014, resources that are mobilized subsequent to project approval can be counted as cofinancing¹⁵.

3.3.4. Project-level Monitoring and Evaluation Systems

The monitoring and evaluation (M&E) plan was prepared using the standard GEF template. A separate monitoring or evaluation plan was not included as part of the project document, and there is no evidence that such a plan has been prepared since start of project implementation.

The estimated cost for implementation of the M&E plan, as recorded in the project document, is USD 72,500, which includes USD 4,500 for support of the project inception workshop, USD 25,000 for the midterm review, USD 25,000 for the terminal evaluation, and USD 18,000 for annual financial audits at USD 4,500 per year. With the exception of the midterm review and terminal evaluation, project monitoring and evaluation was planned to be carried out by project management and UNDP CO staff. For measurement of means and verification of project results, the M&E plan contains a note indicating that “*UNDP GEF RTA/PM will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members*”. There was no evidence available to the MTR consultant that the project has hired external support to support measurement of project results.

The inception meeting in November 2014 did not include a critical review of the project results framework. As discussed in Section 3.1.2 of this MTR report, the project results framework is well put together, and is largely compliant with SMART criteria. A few adjustments might be warranted, e.g., associated with the targeted increases in the total number of mixed breeding colonies of *Pelecaniformes* and *Ciconiiformes* and in the number of wintering waterbirds. Also, the achievability of a few of the system level indicators under Outcome 2 is questionable, considering the limited time available to impart verifiable changes, and also for those indicators in which there are no specific project activities designed, e.g., Indicator No. 13, which calls for an increase in non-State institutions and private sector businesses investing in or supporting the administration of coastal and marine protected areas.

Monitoring and evaluation during the project implementation phase has been fairly weak. For example, there are biophysical data available at the Gizil-Agaj Nature Reserve that have not been compiled or interpreted. These data could be used to support monitoring of progress towards the project outcomes, and also could assist in the development of the management plan. The MTR consultant understands that as part of the management plan development process, the project will support compilation of some of this existing data.

The project made a midterm assessment with respect to the indicators contained within GEF Biodiversity Tracking Tool. The process of assessing this progress could have been more participatory. The acting

¹⁵ Cofinancing Policy, GEF/C.46/09, May 06, 2014

project manager filled in the tracking tool with input from officials from the Department of Protection of Biodiversity and Development of Specially Protected Nature Assets at the MENR; however, Gizil-Agaj staff members were not consulted.

Certain development objectives are indirectly built into the project results framework, e.g., improved financial sustainability of the PA system would likely infer increased opportunities for local communities to participate in collaborative management arrangements or revenue generating opportunities. There are no gender-disaggregated indicators, and the project has no plans to carry out social or gender assessments over the remaining timeframe of project implementation.

3.3.5. Stakeholder Engagement and Partnerships

Stakeholder engagement has been fairly narrow. As the majority of activities completed during the first half of the project were under Outcome 1, stakeholder participation has been mainly with the management staff of the Gizil-Agaj reserve complex. There have been a few consultations with communities and local government authorities, in connection with the geodetic survey and GIS mapping activities. The National Project Director at the MENR has been regularly briefed, and there is daily interaction with MENR personnel; however, there is a lack of substantive involvement by MENR staff on technical and strategic issues.

The broad, cross-sectoral stakeholder involvement outlined in the project document has not materialized. For example, the envisaged Technical Working Group that would be constituted to lead the process of establishing the Gizil-Agaj national park has not been established. This is a particularly critical shortcoming, as the process of establishing the park has not progressed very far, and there is a general sense of uncertainty regarding who will be leading the effort.

Among the stakeholders listed in the stakeholder involvement plan, some of the key ones that have had little involvement to date include, but are not limited to the following:

- Azerbaijan National Academy of Sciences (ANAS). Experts from this institution were envisaged to provide scientific support. Gizil-Agaj staff indicated that there are a few experts at ANAS who have expert knowledge of the wetland ecosystem.
- Azerbaijan Fishery Scientific Research Institute (AFSRI). This institute was envisaged to provide scientific support on maritime issues.
- State Land and Cartography Committee (SLCC). Now an entity of MENR, the SLCC is responsible for land surveying, land demarcation, land mapping, etc. They were envisaged to prepare maps for expanded protected area; however, arrangements reportedly could not be made as a result of the transitional period, when SLCC was merged into the MENR system.
- Ministry of Culture and Tourism (MCT). This ministry was envisaged to provide assistance and support with respect to planning, development, and marketing of ecotourism services.

The Caspian Complex Environmental Monitoring Administration (CEEMA), also an entity of MENR will be an important partner in development of the ecosystem health based monitoring systems planned under Outcome 2.

There has also been limited engagement with the donor community, and with protected area administrations of the other coastal and marine national parks.

At the site level, which is the primary focus of the project, there has been extensive participatory stakeholder engagement, including regular meetings of Water Committees and community consultations over the course of the vulnerability assessment and adaptation planning and implementation of the quick fix interventions.

3.3.6. Reporting

With respect to adaptive management, the most substantive adjustments that have been made are with respect to the decision to construct a new administration building instead of renovating part of the existing

one, and to procure a 9-meter tourist boat. The recommendation to purchase the tourist boat is recorded in the minutes of the June 2016 project steering committee meeting; however, there is no evidence of a business case being developed to support the investment. Regarding the administration building, the 2016 PIR report contains a narrative explanation of why a new building was constructed instead of renovating the existing one, which is in a state of disrepair. The narrative did not discuss how costs were reallocated within Output 1.3 to accommodate the construction; notably, the money spent on dredging boundary canals was significantly reduced from the amount included in the indicative budget in the project document. And, there was no evidence of this decision discussed at the project steering meetings.

There have been two project implementation reviews (PIR) produced to date, one for 2015 and the most recent one for 2016. The Project Implementation Reviews (PIRs) have addressed the challenges the project has faced, including significant delays in starting up the project. The overall ratings applied in the 2016 PIR were “moderately satisfactory”, for progress toward development objective, and “satisfactory” with respect to implementation. The progress reports are mostly in narrative form, with progress and issues described in tabular form. The use of project management software might better enable stakeholders, including the steering committee members, to capture the key messages. For example, delays could be graphically represented Gantt charts, which also could show the inter-dependency of certain activities towards realizing a particular milestone.

3.3.7. Communications

Internal Communication:

The project has facilitated regular lines of communication with the MENR, including with the National Project Director (NPD). The fact that the acting project manager is based in the UNDP Country office poses some challenges with respect to communication. The MTR consultant recognizes that there are logistical advantages of having the project manager work out of the UNDP office, e.g., facilitating procurement processes. But certain mitigation measures should be put into place to improve communication and collaboration with relevant members of the MENR.

The project steering committee meetings have provided the main high-level communication feedback mechanism. There have four steering committee meetings to date, which is considerably less frequent than the quarterly meetings envisaged in the project document. The NPD has been the only government official attending the steering committee meetings; this also limits communication within the MENR and other relevant ministries, agencies, and institutions.

External Communication:

There have been limited knowledge products developed to date to support external communication. A visitor and education center is being designed by the project for the new administration at the Gizil-Agaj reserve complex. The MTR consultant recommends referring to the Ramsar Secretariat publication¹⁶ entitled “*Handbook on the Best Practices for Planning, Design and Operation of Wetland Education Centres*”, which contains practical guidelines for enhancing communication, education, participation and awareness with respect to wetland ecosystems.

The project design did not call for a project-specific website. The MENR has an extensive website, including information on the protected areas in the country, also in English, but there is no information on their site regarding the project.

Considering that ecotourism is the main focus with respect to potential revenue generating opportunities for the coastal and marine national parks, the project should liaise with the Ministry of Culture and Tourism.

With respect to communication with regional partners within the Caspian basin, the project should reach out to the Secretariat to the Tehran Convention. The MTR consultant is uncertain if the Secretariat of the

¹⁶ Ramsar Secretariat. (2014) *Handbook on the Best Practices for Planning, Design and Operation of Wetland Education Centres*. Gland, Switzerland: Ramsar Convention Secretariat. Available at <http://www.ramsar.org>

Tehran Convention is currently functioning, but according to the fifth Conference of the Parties, in Ashgabat 2014, the Contracting Parties signed a decision on the location and arrangements of the Convention Secretariat. As of 2015, the Secretariat will be based in the region, starting in 2015, with the first location in Baku, and rotating among the littoral countries on a four-year cycle.

One of the four protocols drafted under the Convention addresses biodiversity: The Protocol for the Conservation of Biological Diversity ("Ashgabat Protocol") was adopted and signed at the fifth Meeting of the Conference of the Parties (COP5) in Ashgabat, Turkmenistan, on 30 May 2014. Protected areas in the Caspian basin are shown below on the map in **Exhibit 19**.



Exhibit 19: Protected areas in the Caspian basin¹⁷

¹⁷ Caspian Sea State of the Environment, 2011, GRID Arendal

Having the Secretariat situation in Baku is a convenient opportunity for the project. And, developing open lines of communication with the Secretariat could provide entry points for collaborating with regional based projects and programs, which could enhance the likelihood that project results are sustained.

3.4. Sustainability

Sustainability is generally considered to be the likelihood of continued benefits after the GEF funding ends. Under GEF criteria each sustainability dimension is critical, i.e., the overall ranking cannot be higher than the lowest one among the four assessed risk dimensions.

Overall:

Likelihood that benefits will continue to be delivered after project closure: Moderately Likely

The likelihood that project results will be sustained after GEF funding ceases has been enhanced by the achievements of the project by midterm and certain other factors. For example, the financial sustainability score for the national PA system has improved since the baseline assessment in 2012. Some of the terrestrial PAs in the country are particularly popular, with increasing numbers of both domestic and foreign visitors. At the local level, the increased technical capacity of the Gizil-Agaj reserve complex increases the likelihood that management effectiveness will continue to improve over time.

There are a number of factors, however, that diminish the prospects that project results will be sustained. Firstly, there has been limited progress with respect to establishing the national park at Gizil-Agaj. Opportunities for improving the financial sustainability of the protected area would continue to be constrained if the national park is not established. Although there are increasing numbers of tourists to national parks in general, visitor numbers for the coastal and marine PAs, such as the Shirvan National Park, are decreasing in recent years. It will take time to raise public awareness and stimulate the private sector to invest. Moreover, economic growth has been most expansive in the urban areas, and there remain certain socioeconomic hardships in the rural regions, including limited opportunities for employment. These conditions perpetuate the demand for illegal poaching and harvesting within protected areas.

The uncertainties associated with climate change and transboundary environmental pollution pressures pose further risks to effective management of the coastal and marine protected area sub-system. The project is poised to make meaningful contributions towards reducing these environmental risks through development of ecosystem health based monitoring systems.

3.4.1. Financial Risks to Sustainability

Financial Risks:

Likelihood that benefits will continue to be delivered after project closure: Moderately Likely

According to the project tracking tools, the financial scorecard assessment of the protected area system in Azerbaijan has increased from 15% at the project baseline, in 2012, to 21% in 2016, which is an improvement but short of the end-of-project target of 35%. It is important to note that the assessment is based on the system of all protected areas, not only coastal and marine ones. A few of the terrestrial national parks attract larger numbers of tourists, and some of the financial figures could be skewed because of a few of the popular terrestrial PAs.

The project does plan on supporting the four coastal and marine protected area administrations in developing business plans, an activity that could also enhance the financial sustainability of the coastal and marine protected area sub-system. These activities have not yet started, however, rendering limited time for imparting meaningful progress with respect to improving PA financing.

On paper, cofinancing from the Azerbaijan Government for the project has been substantive, with roughly 50% of the committed cofinancing sum has been contributed by midterm. Evidence in the field depicts shortcomings in financial commitments. For example, the new administration building the project financed at the Gizil-Agaj reserve remains unoccupied because the gas supply for feeding the heating system has not

yet been funded by the government. This is a disparaging sign, and something that should be resolved before project closure as a demonstration of genuine governmental support.

At the Shirvan National Park, one of the three existing CMPAs that is a national park, tourist numbers have decreased from 1,500-2,000 per year a few years ago to approximately 800 in 2016. The decrease is reportedly largely due to a government imposed obligation that tourists need to purchase entrance tickets online prior to their visit. The entrance fee to the park is only AZN 2 (approx. USD 1.2). This online ticket purchasing policy was made to deter possible corruption, but there seems to have been unintended consequences in terms of numbers of tourists. The viability of CMPA national parks to generate substantive revenues seems to be low, at least over the short to medium term.

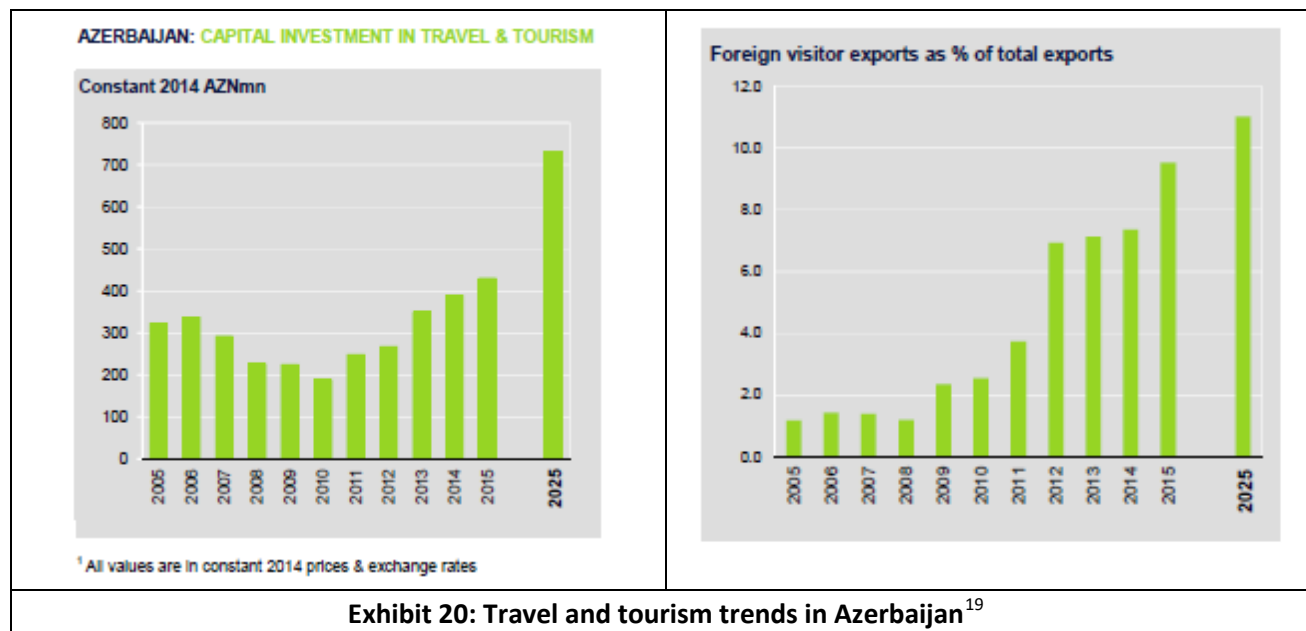
Overall, there are substantial financial resource risks, rendering the prospect of sustaining project results moderately likely.

3.4.2. Socioeconomic Risks to Sustainability

Socioeconomic Risks:

Likelihood that benefits will continue to be delivered after project closure: Moderately Likely

The potential socioeconomic benefits to the local communities surrounding the Gizil-Agaj reserve were highlighted as one of the driving forces behind the decision to establish a national park there. The majority of the benefits were foreseen to be generated through increased eco-tourism demand. There are positive trends nationally, e.g., the number of tourists visiting national parks in 2016 was significantly more than in the previous year, reaching nearly 200,000¹⁸. Many of the tourists are visiting from Iran, and the Government of Azerbaijan is increasingly focusing investments that promote the tourism potential in the country. Travel and tourism is expected to attract capital investment of more than AZN 730 million by 2025, growing by approximately 5.5% per year (see **Exhibit 20**). And money spent by foreign visitors (referred to as visitor exports) is also expected to increase steadily in the coming years.



For Gizil-Agaj it will take time, however, to develop public awareness, establish services within the communities, etc. As experienced by nearby Shirvan National Park, attracting tourists has been a challenge. In the near term, visits might be largely limited to bird-watching enthusiasts.

¹⁸ AZERNEWS, 11 January 2017: National parks of Azerbaijan visited by 200,000 tourists, www.azernews.az

¹⁹ Travel & Tourism, Economic Impact 2015, Azerbaijan, World Travel & Tourism Council, London.

For domestic tourists, concerns regarding affordability to participate in certain eco-tourism activities, extending their stays for multiple days, etc. also constrain the prospects of potential revenue streams and the viability of sustainable financing of the operation of the national park.

Direct employment opportunities are also anticipated by some of the interviewed stakeholders. Local staff members, including most of the rangers are from the local communities. There will likely be an increase in the number of staff if the nature reserve is declared a national park, but probably only modest increases will be required, at least in the short-term.

Limited employment opportunities in the rural parts of the country, including in communities surrounding the Gizil-Agaj reserve, also perpetuate the incidence of illegal activities within the protected areas, including poaching birds, fish, and other resources.

Socioeconomic development, as in many other countries, is growing most rapidly in urban centers. The city of Lankaran, located approximately 25 km south from the southern entry point to the Gizil-Agaj reserve, is the fourth largest city in the country with more than 200,000 inhabitants. Development pressures in the Lankaran region could potential have spill-over impacts to the Gizil-Agaj reserve, e.g., possibly increasing land use demands.

The factors outlined above render the likelihood that project results are sustained moderately likely, with respect to socioeconomic risks.

3.4.3. Institutional Framework and Governance Risks to Sustainability

Institutional Framework and Governance Risks:

Likelihood that benefits will continue to be delivered after project closure: Moderately Likely

Declaring the Gizil-Agaj reserve complex as a national park would represent a shift in the institutional framework for the protected area; i.e., a boost with respect to governmental attention and funding. The management plan that is being prepared for the Gizil-Agaj reserve would provide an improved framework for strengthening the management effectiveness. The management plan might also lead to improved governance, e.g., through promoting collaborative management arrangements with local communities and the private sector. At a system scale, the activities planned under Outcome 2, including business plan development and establishment of ecosystem health based monitoring systems could also enhance institutional frameworks and governance, as coastal and marine protected areas would operate under common ecosystem based approaches. Moreover, improved collaboration among the coastal and marine protected area administrations would likely strengthen system level governance efficiencies. Currently, institutional framework and governance of protected areas is centralized to the national government. Protected area administrations have limited autonomy, much of the planning is done at the central level, revenue retention is restricted, etc.

The institutional framework and governance risks remain relevant, due to the lack of progress towards the establishing the Gizil-Agaj national park and the activities under Outcome 2.

3.4.4. Environmental Risks to Sustainability

Risks:

Likelihood that benefits will continue to be delivered after project closure: Moderately Likely

There are numerous environmental pressures on the coastal and marine ecosystems within the Caspian basin, including activities and spills from the oil and gas industry, pollution inputs from inflowing rivers and non-point agricultural runoff, etc. As shown below in **Exhibit 21**, an excerpt from the State of the Environment for the Caspian basin, one of the outputs of the GEF-financed Caspian Environment Program, residual pollution in coastal and marine sediments extend mostly throughout the Azerbaijan section of the basin.

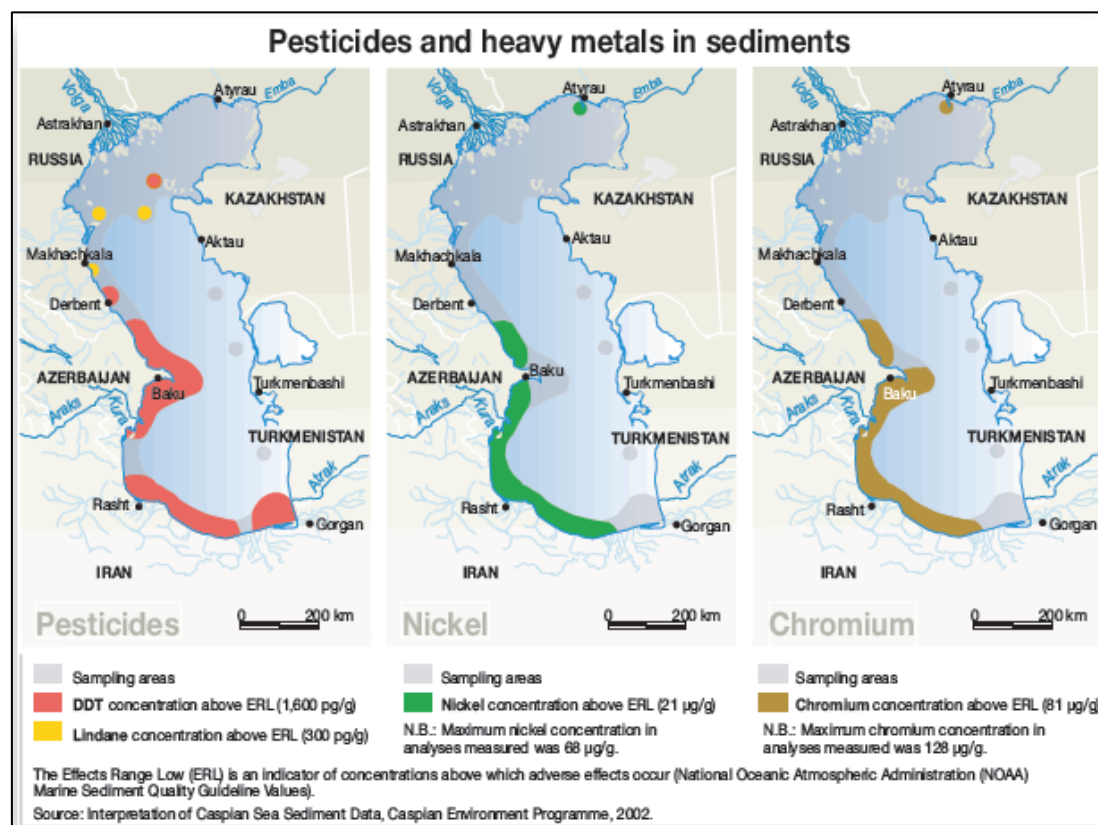


Exhibit 21: Pesticides and heavy metals in sediments in the Caspian basin²⁰

Littoral countries and the broader donor community have made significant investments in improving the environmental protection systems with the Caspian basin. And, one of the results of these efforts has been the ratification of the Framework Convention for the Protection of the Marine Environment of the Caspian Sea, the Tehran Convention by the five parties, including Azerbaijan, Iran, Kazakhstan, Russia, and Turkmenistan.

Among the four protocols established to date, the Tehran Convention Protocol Concerning Regional Preparedness, Response and Co-operation in Combating Oil Pollution Incidents ("Akteu Protocol") was the first one to be ratified by all Parties and entered into force on 25 July 2016. Although the functioning of the Tehran Convention Secretariat remains a work-in-progress, the ratification of the Akteu Protocol is a positive step, and contributes to a reduction in the overall risks to the environment in the Caspian basin.

Caspian basin ecosystems are also faced with increasing stress as a result of the expected impacts of climate change. As outlined in the project document and summarized below in Exhibit 22, the potential climate change impacts are complex and variable across the basin.

²⁰ Caspian Sea State of the Environment, 2011, GRID Arendal

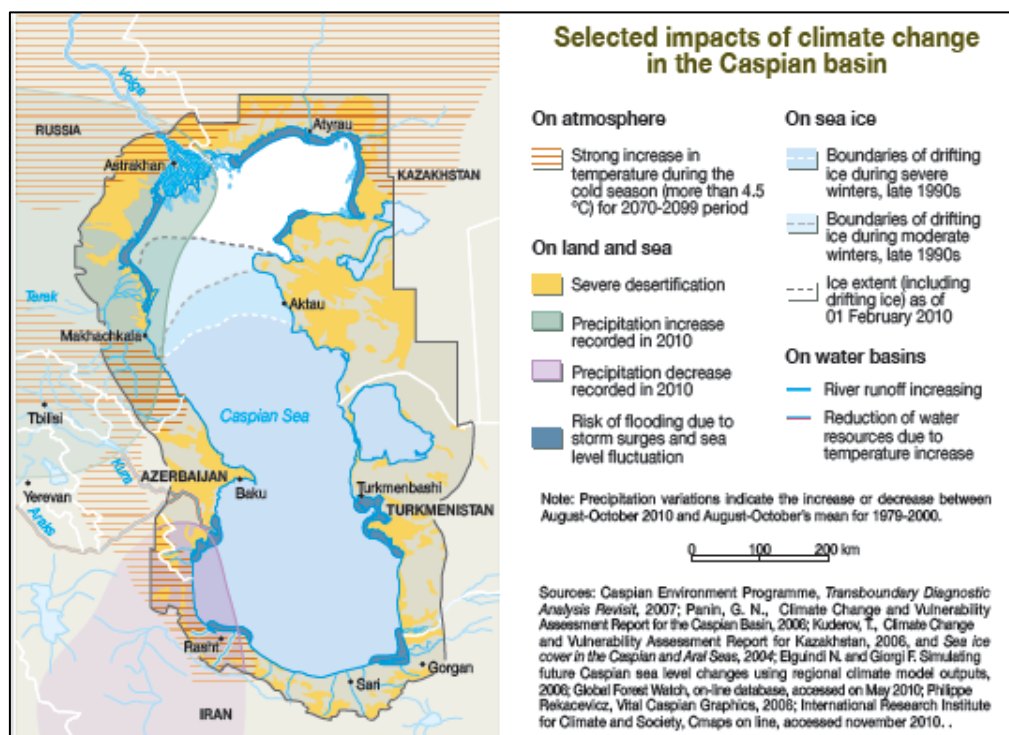


Exhibit 22: Selected impacts of climate change in the Caspian basin²¹

The high degree of uncertainty of climate change impacts imparts pressures onto protected area management authorities to develop flexible adaptation strategies and to take measures that strengthen ecosystem resilience. The envisaged ecosystem health based monitoring system for the coastal and marine protected area sub-system would help reduce this uncertainty, by providing timely information, enabling protected area managers to more effectively respond and adapt to climate change impacts.

The moderately likely sustainability rating has been applied for the environmental risk dimension, primarily because of the lack of progress on system-level activities under Outcome 2.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

The project has implemented a deliberate strategy of focusing first on infrastructure development and equipment purchases, with the aim of strengthening partnership arrangements with national stakeholders and Gizil-Agaj management. This approach appears to have succeeded at the local level, as reserve management and staff seem positively engaged; however, with the heavily centralized structure of protected area management in the country, reserve level management has limited autonomy and decision making authority. At a national level, there are shortfalls with respect to ownership. The project director, the Director of International Cooperation at the MENR, has been consistently involved, but he has been the only governmental official participating in the steering committee meetings. There is day-to-day interaction with MENR staff, but there does not seem to be substantive engagement on technical and strategic aspects. There has been essentially no involvement by other governmental partners, such as the Azerbaijan National Academy of Sciences, the Ministry of Culture and Tourism, etc.

On paper, national government cofinancing has been robust, with approximately 50% of the indicative amount confirmed by midterm, and there is evidence demonstrating government investments in improving infrastructure and management systems for the coastal and marine protected area sub-system. On the other hand, the fact that the new administration building at the Gizil-Agaj reserve has been

²¹ Caspian Sea State of the Environment, 2011, GRID Arendal

unoccupied since completion in June 2016, due to lack of a gas supply system that is to be financed by the government, is disparaging and indicates lack of genuine government support to the project.

While the project has remained with the indicative budget of Outcome 1 – there has been minimal spending under Outcome 2 – there have been certain departures with respect to infrastructure investments. For instance, the project design envisaged developing a visitor and education center at the existing Gizil-Agaj administration building, along with some improvements to some of the office spaces. The existing administration building is in a general state of disrepair, as confirmed by the MTR consultant during the mission, and investing money there would likely not be a sensible use of project resources. However, considerably more money was spent on the new building than planned for the renovations, largely at the expense of fewer resources apportioned for clearing boundary canals; approximately USD 60,000 was expended for boundary canal dredging, whereas USD 240,000 was allocated in the indicative budget. The condition and functioning of the hydrological regime of the wetland ecosystem is critical with respect to overall health of the ecosystem.

There have been other purchases, including a tourist boat for bringing tourists from Baku to the eventual national park, that were not included in the project design. The implementation team has also explored the idea of construction of a guest house for the future national park. The boat purchase was based on a general assumption discussed at the June 2016 steering committee, without first carrying out business planning (an activity planned in Outcome 2). Without assessing at the costs and maintenance arrangements associated with a tourist boat activity and affordability issues, this seems to have been a premature investment. In the near term, day visitors might be the main type of tourists visiting the park. Once the national park is eventually established, the local business community, if provided with some incentives, would likely respond to the locally relevant opportunities.

One of the other factors associated with limited progress on certain project aspects is project management, specifically the lack of a project assistant to support the acting project manager. The current acting project manager is the former project assistant who took over management duties after the contract for the first project manager was terminated after approximately six months, in mid-2015. The UNDP Senior Programme Advisor is providing substantial backstopping, but he has other duties. The acting project manager is spending the majority of his time on procurement and administrative issues, with limited time for liaising with project partners and focusing on strategic issues. The generally weak monitoring and evaluation on the project could also be partly attributed to the fact that the project is running without a project assistant.

In order to deliver the envisaged global environmental benefits, more emphasis needs to be placed on strengthening institutional capacities and governance structures which includes management planning for the Gizil-Agaj reserve, developing financing plans for the national parks within the coastal and marine protected area sub-system, and formulating robust monitoring plans that allow timely and science based assessment of ecosystem health, providing proactive early warning feedback and allowing management authorities to respond more effectively to increasingly complex threats. There is a good chance that the project will satisfactorily deliver the planned results by the time of project closure, if the strategic focus is redirected and available resources are used optimally.

4.2. Recommendations

No.	Recommendation
1.	<p>Develop and implement a proactive and participatory plan to facilitate establishment of the Gizil-Agaj National Park. It is imperative that the project initiate activities associated with establishing the national park, including but not limited to:</p> <ol style="list-style-type: none"> Constitute the envisaged technical working group (TWG), with broad stakeholder representation. Clarify the need for delineating buffer zones, initiate consultations with land owners and local government partners regarding planned expansion area and buffer zones.

No.	Recommendation
	<ul style="list-style-type: none"> c. Facilitate the compilation of the requisite documentation, including authorizations from the local Rayons. d. Prepare a critical path based work plan for achieving the project end target (National Park proclaimed), and develop specific terms of references for the key tasks. The 2017 work plan should be updated accordingly. Cofinancing support from the MENR should be integrated into the work plan e.g., in a separate consolidated Gantt chart, which could be adopted in the next steering committee meeting); sharing responsibilities and ownership of the process. e. Facilitate advocacy for declaring the national park.
2.	<p>Facilitate improved country ownership. Certain proactive steps should be taken to facilitate improvements in country ownership, including but not limited to the following:</p> <ul style="list-style-type: none"> a. Review and amend steering committee membership. For example, as outlined in the project document, the MTR consultant concurs with having the MENR Director of Protection of Biodiversity and Development of Specially Protected Nature Assets as a member of the steering committee. b. Increase the frequency of steering committee meetings, convene the meetings at the MENR office, and invite members of the TWG to observe and/or support the meetings. c. Advocate for government investment in construction of gas supply system for the newly constructed administration building at the Gizil-Agaj reserve. d. Working with Gizil-Agaj technical staff, facilitate preparation of an updated Ramsar Information Sheet (RIS) for the wetland site. The current RIS dates back to 2001 and is prepared in French language.
3.	<p>Freeze further infrastructure investment until a reconciled project budget and work plan are developed and agreed upon by the project steering committee. Planned investments on infrastructure and equipment should be suspended until a reconciled work plan is prepared, indicating how residual resources are planned to be allocated over the remaining course of the project.</p>
4.	<p>Develop and implement a focused stakeholder involvement plan. Stakeholder involvement should be broadened; some specific actions include but are not limited to the following:</p> <ul style="list-style-type: none"> a. Experts from the Azerbaijan National Academy of Sciences should be more involved (partnership arrangements need to be determined). b. Ministry of Culture and Tourism should be involved, particularly with respect to business planning and communication/awareness. c. Regular interaction should be arranged with administrative and operational staff of the four (4) coastal and marine protected areas. d. The staff and systems of the Caspian Center for Marine Monitoring should be consulted in development of the ecosystem health monitoring plans. e. Communication lines should be developed among the donor community in Azerbaijan and also in the Caspian basin as a whole.
5.	<p>Assess current hydrological regime within the Gizil-Agaj wetland ecosystem and implement specific mitigations, budget permitting. The added value of this project would be enhanced with provision of current information regarding the hydrological regime within the Gizil-Agaj wetland ecosystem. Recognizing that there are limited resources available, a hydrological systems engineer (allocated in the project document) should be recruited to make an assessment. Based upon the results of the assessment, it might be feasible to implement specific mitigation measures. At a minimum a mitigation plan should be prepared as part of the engineering assessment.</p>
6.	<p>Consider following the general processes outlined in the EU Marine Strategy Framework Directive (MSFD) in development of the ecosystem health based monitoring plans. Following the guidelines of the MFSD would be consistent with Azerbaijan's progress with respect to</p>

No.	Recommendation
	<p>approximation to EU directives. Recognizing the project does not have the resources to facilitate full compliance with the MSFD, it would be advisable if project activities would be oriented in that direction.</p> <ol style="list-style-type: none"> Carry out an initial assessment (liaise with MENR on the scope). Establish environmental targets and indicators (keep it simple). Establish and implement a monitoring program (as planned in the project document).
7.	<p>As part of financial planning activities envisaged under Outcome 2, assess and report on the business case associated with the purchase of the tourist boat. The purchase of the tourist boat accounts for nearly 10% of the GEF implementation grant. It would be sensible to support the rationale of this investment with a business case, something that could be completed as part of the business planning activities under Outcome 2.</p>
8.	<p>Strengthen project monitoring & evaluation and management systems.</p> <ol style="list-style-type: none"> Revisit and update the BD tracking tools, including baseline ones, through a focus group discussion with national and subnational stakeholders. Gizil-Agaj has >20 years of data that has not been fully compiled or interpreted. Work with the operational staff, help develop a simple data management system (e.g., using Excel). Link this to the ecosystem monitoring program, as well as to the project level monitoring requirements. A financial audit should be made of the project, possibly following the completion of calendar year 2017.
9.	<p>Bolster project management. As a first step, the acting project manager should be recognized as project manager. Budget permitting, a project management assistant should be recruited to support the project manager with procurement and administrative tasks, allowing the project manager to focus more on strategic aspects and liaising with project partners.</p>
10.	<p>Articulate a justification for a time extension. The project should reassess progress at the time of preparing the 2017 PIR report, and at that time decide whether a time extension is warranted. In the case a time extension is determined warranted, a justification should be articulated and a period of time for the extension agreed upon, understanding that only one extension is possible according to current GEF policy.</p>
11.	<p>Miscellaneous recommendations:</p> <ol style="list-style-type: none"> The project team should confirm whether a construction and occupancy permits are required for the newly constructed administration building at the Gizil-Agaj reserve. If permits are required, they should be retroactively requested, to ensure that documentation is complete before project closure. The Ramsar Secretariat publication "<i>Handbook on the Best Practices for Planning, Design and Operation of Wetland Education Centres</i>", published in 2014 is a good source to aid the design of the visitor and education center at the Gizil-Agaj wetland. The project should reach out to the Secretariat to the Tehran Convention which is presumably currently based in Baku. Opening communication lines with the Secretariat might lead to entry points for collaboration on regional projects and programs, thus enhancing the likelihood that project results would be sustained after GEF funding ceases. Implementing a photograph competition among Gizil-Agaj ranger staff, using the new digital cameras, could be a good way to improve staff morale and also provide hands-on training in improving staff skills in taxonomy.

ANNEXES

Annex 1: MTR Itinerary

Date	Description
Monday, 27 March	Meeting with Chingiz Mammadov, UNDP Senior Programme Adviser and Tamirlan Gasimov, UNDP Project Assistant
	Meeting with Rashad Allahverdiyev, Project Director
	Meeting with Isa Aliyev, Head of Environmental Public Awareness Division, MENR
	Meeting with Chingiz Mammadov, UNDP Senior Programme Adviser and Tamirlan Gasimov, UNDP Project Assistant
Tuesday, 28 March	Meeting with Rashad Allahverdiyev, Advisor-Inspector, Department on Protection of Biodiversity and Development of Specially Protected Nature Areas
	Meeting with GIZ GmbH, Baku Office
	Preparation for a field trip, Meeting with Chingiz Mammadov, UNDP Senior Programme Adviser and Tamirlan Gasimov, UNDP Project Assistant
	Introduction to Alessandro Fracassetti, UNDP DRR
Wednesday, 29 March	Travel from Baku to GizilAgaj PA
	Visiting the newly built Administrative building, Access control infrastructure and central outpost; Introduction to PA's management and staff; Visiting the current Guest House and former Administrative building
	Meeting with Yadulla Eyvazov, PA's Director and Aftandil Abbasov, Deputy Director on Scientific Issues
	Meeting with local community
	Travel from Gizil-Agaj PA to Hotel
Thursday, 30 March	Travel from Masally to Shorsulu
	Travel from Shorsulu to Aghgusha outpost; Visiting shallow boundary canals
	Travel from Aghgusha to Garagush outpost
	Travel from Garagush to Hotel
Friday, 31 March	Travel from Hotel to Shirvan National Park
	Visiting the information center; Small tour within the park to see the infrastructure in currently functioning area and some animals; Visiting a bird watching dock, If possible brief meeting will be arranged with Park Management
	Travel from Shirvan National Park to Baku
	Debriefing meeting with Alessandro Fracassetti
Saturday, 01 April	Consolidate MTR mission findings, prepare report
Sunday, 02 April	Consolidate MTR mission findings, prepare report
Monday, 03 April	MTR Consultant departs Baku

Annex 2: List of Persons Interviewed

Name	Gender	Organization	Position	Contact Details
Rashad Allahverdiyev	Male	MENR	Project Director, Head of Sector, International Cooperation Division	r.allahverdiyev@eco.gov.az
Issa Aliyev	Male	MENR	Head of Division on Environmental Publicity	issa.aliyev@gmail.com
Rashad Allahverdiyev	Male	MENR	Head Expert, Department of Protection of Biodiversity and Development of Specially Protected Nature Assets	allahverdiyev.r@eco.gov.az
Yadulla Eyvazov	Male	Gizil-Agaj SNR	Director	yadulla.eivazov@gmail.com
Aftandil Abbasov	Male	Gizil-Agaj SNR	Deputy Director	aftandil.abbasov2@gmail.com
Mustagim Bashirov	Male	Gizil-Agaj SNR	Ranger	+994 50 388 56 42
Natig Rzazade	Male	Gizil-Agaj SNR	Ranger	+994 50 568 54 88
Vafadar Mammadov	Male	Gizil-Agaj SNR	Ranger	+994 50 339 08 24
Melik Abishov	Male	Lankaran Rayon	Representative of the Executive Administration for the community of Narimanabad 2	+994 50 318 72 46
Seymur Karimov	Male	Shirvan National Park	Health Safety and Environment Specialist/Acting Deputy Director	ks.cazeri@gmail.com
Alessandro Fracassetti	Male	UNDP Azerbaijan	Deputy Resident Representative	alessandro.fracassetti@undp.org
Chingiz Mammadov	Male	UNDP Azerbaijan	Senior Programme Advisor	chingiz.mammadov@undp.org
Tamirlan Gasimov	Male	UNDP Azerbaijan	Acting Project Manager	tamirlan.gasimov@undp.org
Maxim Vergeichik	Male	UNDP Europe CIS	Regional Technical Advisor, Biodiversity	maxim.vergeichik@undp.org
James Jackelman	Male	Consultant	International consultant	environ@mweb.co.za
Aydin Inchiyev	Male	GIZ GmbH	Integrated Biodiversity Management SC	aydin.inciyev@giz.de

Annex 3: List of Documents Reviewed

1. Project Identification Form (PIF)
2. GEF Review Sheet, 27 Mar 2012
3. GEF STAP Review Sheet, 11 May 2012
4. CEO Endorsement Request
5. UNDP Project Document
6. UNDP Environmental and Social Screening results (an annex to the project document)
7. Cofinancing letters (annexed to the project document)
8. Project Inception Report (inception meeting minutes)
9. Project Implementation Review (PIR) reports for years 2015 and 2016
10. Project steering committee meeting minutes (Nov 2014, Jan 2015, Jan 2016, June 2016)
11. Quarterly progress reports and work plans of the various implementation task teams
12. Finalized GEF focal area Tracking Tools at CEO endorsement and midterm Tracking Tools for Biodiversity
13. Oversight mission reports
14. Annual work plans for years 2014, 2015, 2016, and 2017
15. Combined delivery reports (CDRs) for years 2014, 2015, and 2016
16. Transfer of asset records
17. GIS Map presentation report, Nov 2015
18. Field Trip Report, Nov 2014
19. Field Trip Report, Nov 2015
20. Field Trip Report, Apr 2016
21. UN Country Programme Document 2016-2020
22. Azerbaijan Law on specially protected natural territories and objects, 2000 (English version)
23. National Strategy of the Republic of Azerbaijan on Conservation and Sustainable Use of Biodiversity for 2017-2020
24. Azerbaijan Fifth National Report to CBD, 2014
25. "AZERBAIJAN 2020: LOOK INTO THE FUTURE" CONCEPT OF DEVELOPMENT
26. Ramsar COP12 National Report
27. Ramsar COP9 National Report
28. Ramsar COP8 National Report
29. Tehran Convention Protocols (4)

Annex 4: MTR Evaluation Matrix

Theme	Indicators	Sources	Methodology
Project Strategy			
Project Design:	Project design remains relevant in generating global environmental benefits.	GEF strategies, national and subnational development plans, PIF, project document, CEO endorsement request, reviews, PIRs	Desk review, interviews
Results Framework:	Results framework fulfils SMART criteria and sufficiently captures the added value of the project.	Strategic results framework, tracking tools, inception report, PIRs	Desk review, interviews
Mainstreaming:	Broader development objectives are represented in the project design.	Project document, social and environmental social screening procedure, gender action plan, work plans for community activities, training records, monitoring reports of community activities, PSC meeting minutes, stakeholder feedback during MTR missions	Desk review, interviews, field visits
Progress towards Results			
Progress towards Outcomes Analysis:	See report on progress towards results in Annex 5.	PIRs, self-assessment reports, annual reports, monitoring reports, output level deliverables, midterm tracking tool, stakeholder feedback during MTR missions	Desk review, interviews, field visits
Remaining Barriers to Achieving the Project Objective:	Delivered outputs address key barriers.	PIRs, annual reports, PSC meeting minutes, stakeholder feedback during MTR missions	Desk review, interviews, field visits
Project Implementation & Adaptive Management			
Management Arrangements, GEF Partner Agency:	Lessons learned on other projects under the CBPF incorporated into project implementation.	PIRs, PSC meeting minutes, audit reports, feedback obtained during MTR missions	Desk review, interviews
Management Arrangements, Executing Agency/Implementing Partner:	Effective management response to recommendations raised by project steering committee.	PIRs, PSC meetings, feedback obtained during MTR missions	Desk reviews, interviews
Work Planning:	Milestones within annual work plans consistent with indicators in strategic results framework.	Project document, multi-year work plan, annual work plans, PIRs, financial expenditure reports, feedback obtained during MTR missions	Desk review, interviews
Finance and Cofinance:	Efficient financial delivery.	Financial expenditure reports, combined delivery reports, audit reports, PSC meeting minutes, PIRs, midterm cofinancing report, feedback obtained during MTR missions	Desk review, interviews
Project-level Monitoring and Evaluation Systems:	Timely implementation of adaptive	PIRs, midterm tracking tools, monitoring reports, annual progress reports, self-assessment reports, PSC	Desk review, interviews, field visits

Theme	Indicators	Sources	Methodology
	management measures.	meeting minutes, feedback obtained during MTR missions	
Stakeholder Engagement:	New partnerships in PA management realized.	Stakeholder involvement plan in the project document, meeting minutes, records of exchange visits, stakeholder feedback obtained during MTR missions	Desk review, interviews, field visits
Reporting:	Adaptive management measures implemented in response to recommendations recorded in PIRs.	PIRs, annual progress reports, midterm tracking tools, output level project deliverables, feedback obtained during MTR missions	Desk review, interviews
Communication:	Project information is effectively managed and disseminated.	Internet and social media, press releases, media reports, statistics on awareness campaigns, evidence of changes in behavior, feedback obtained during MTR missions	Desk review, interviews, field visits
Sustainability			
Risk Management:	Timely delivery of project outputs.	Project document, risk logs, PIRs, PSC meeting minutes, feedback during MTR missions	Desk review, interviews
Financial Risks to Sustainability:	Verifiable progress towards improving PA financial sustainability.	PA financial sustainability scorecards, budget allocations,	Desk review, interviews, field visits
Socio-Economic Risks to Sustainability:	Introduction of viable alternative livelihoods reduces unsustainable utilization of natural resources.	Alternative livelihoods realized, jobs created, records of conflict resolutions, statistics on awareness campaigns	Desk review, interviews, field visits
Institutional Framework and Governance Risks to Sustainability:	Strengthened capacity of PA management staff.	Capacity development scores, PA management effectiveness tracking tool, training records, evidence of policy reform	Desk review, interviews, field visits
Environmental Risks to Sustainability:	Increased environmental awareness.	PA management effectiveness tracking tool, budget allocations for environmental monitoring, monitoring results, training record, statistics on awareness campaigns	Desk review, interviews, field visits

Annex 5: Progress towards Results

Assessment Key:
Achieved or on target to be achieved
Marginally on target to be achieved
Not on target to be achieved
Unable to assess

Achievement Rating Scale:	Ratings assigned using the following 6-point scale: highly satisfactory, satisfactory, moderately satisfactory, unsatisfactory, highly unsatisfactory
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Indicator	Baseline	End of Project target	2016 Level (self-reported) ¹	MTR Assessment	MTR Justification
Objective: To improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan's coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability					
1. Financial sustainability scorecard for national system of protected areas	15%	>35%	21% In comparison with the last year, small progress has been made on financial sustainability of the national system of protected areas. There is an increase in the number of economic planners at the MENR to improve the financial sustainability of the PA system. There is an organizational structure within the MENR with sufficient authority and coordination to properly manage the finances of the PA system. PA site managers have started to effectively manage their finances and partially pay attention to cost-effectiveness. According to information provided by MENR, the capacity within the system for auditing PA finances has been partially improved. According to MENR, online revenue tracking system has been created since the last year and is operational for almost each PA site. MENR cooperates with other governmental organizations and shares its PA revenues and expenditures with, e.g. the Ministry of Culture and Tourism and State Executive Power office. MENR also contributes and considers that it is important to create and strengthen a network among PA managers to share information on their costs, experiences and impacts. Therefore, MENR organizes periodical meetings in Baku to gather all the PA managers and creates opportunity for PA managers to share their practices, knowledge, costs and difficulties occurring in managing finances or other related issues with each other and with the relevant institution within MENR.	Marginally on target	Financial sustainability scored increased from 15% at baseline to 21% at midterm. Some of the popular terrestrial PAs could be skewing the results a bit. Financing sustainability of the coastal and marine PAs is likely lower than the terrestrial ones, due to lower numbers of visitors and limited services available.
2. Capacity development indicator score for protected area system	Systemic: 34% Institutional: 20% Individual: 13%	Systemic: >50% Institutional: >40% Individual: >25%	Systemic: 38% Institutional: 36% Individual: 17% In comparison with the baseline indicators, progress has been made across all capacity levels. At the institutional level, although the majority of human resources are generally poorly qualified, some are well	Marginally on target	Significant increases in institutional capacities, minimal improvements to systemic and individual

¹ Information in this column copied from 2016 project implementation review (PIR).

Midterm Review Report, 2017

Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan)

UNDP PIMS ID: 4327; GEF Project ID: 4730

Indicator	Baseline	End of Project target	2016 Level (self-reported) ¹	MTR Assessment	MTR Justification
			qualified and motivated. In comparison with previous years, management plans in some CMPAs are implemented, but again there are still many gaps remaining and they should be improved in the upcoming years. Even though the auditing system is not fully transparent it is being regularly conducted and there is a fair degree of public accountability. If to compare with the previous years, at the individual level, employees are more appropriately skilled for their jobs. Motivation is uneven, some employees are highly motivated but most are not. Some mechanisms have been developed for monitoring, evaluation, reporting and learning, but they are limited and require improvement.		capacities.
3. Total annual budget (HR, OPEX and CAPEX) allocation for marine and coastal PAs (US\$/ha)	All PAs: US\$ 3.03/ha Gizil-Agaj: US\$ 2.53/ha	All PAs: >US\$ 4/ha Gizil-Agaj: >US\$ 4/ha	All PAs: US\$3.56/ha Gizil-Agaj PA: US\$ 2.14/ha Overall, the total budget allocated for CMPAs per ha has increased. In comparison with the figure for the previous year, the budget allocated for Gizil-Agaj has increased, however, if compared with the baseline figures, the total budget allocation for Gizil-Agaj per ha has decreased. The depreciation of AZN (local currency) against US dollar continues this year as well and reached approximately 48%. So, if calculated using the exchange rate before the depreciation of the local currency, then it would be as following. For all CMPAs - US\$ 3.56 x 1.48 = US\$ 5.27 (US\$ 5.27/ha); For Gizil-Agaj - US\$ 2.14 x 1.48 = US\$ 3.16 (US\$ 3.16/ha). So, in reality, i.e. in real money term, the funding for both for all CMPAs, and Gizil-Agaj in particular, have been increased. Though, the amount of funding in USD has decreased, the funding in Azeri manat has increased.	Marginally on target	Considering face value of AZN based annual budgets is not fully representative, as inflation is not factored in.
4. Management Effectiveness Tracking Tool scorecard: Gizil-Agaj	25%	>45%	33% During this period, several activities were implemented to improve the protection system of the future Gizil-Agaj National Park. Ranger staff were provided with relevant patrolling equipment and uniforms to be able to better perform their patrolling duties. Patrolling equipment includes the patrol cars, GPS, water bottles, first aid supplies, portable generators, torches, digital cameras, sleeping bags, etc. GIS map of the Gizil-Agaj reserve complex has been prepared and delivered to MENR's relevant department. It includes information on the critical habitats, species, cultural values, roads, water canals, outposts and etc. The current boundary canals were excavated to define the terrestrial extent of the future park's boundary and prevent it from illegal entry of the livestock. In order to improve the future level of visitation to the park, the current entry access control infrastructure has been renovated. New administrative building has also been constructed within the territory of the protected area to improve the working condition of the management staff. It will include a visitor center, which will be used as an educational and informational center for the future park visitors.	Marginally on target	Management effectiveness has improved; however, the limited participation in filling out the METT renders the assessment questionable.
Achievement Rating, Project Objective:				Moderately Satisfactory	

Midterm Review Report, 2017

Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan)

UNDP PIMS ID: 4327; GEF Project ID: 4730

Indicator	Baseline	End of Project target	2016 Level (self-reported) ¹	MTR Assessment	MTR Justification
Outcome 1: Enhanced management effectiveness of the Gizil-Agaj reserve complex.					
5. Extent (ha) of area surveyed, and formally proclaimed and managed as the Gizil-Agaj national park	0 ha ¹	>100,000 ha	0 ha Gizil-Agaj still remains as the protected area. The announcement of the Gizil-Agaj PA as a National Park is expected by the end of the project when all the required documents are prepared properly and provided to the relevant Government's institutions.	Not on target	Limited progress with respect to establishing the national park.
6. Total number of mixed breeding colonies of Pelecaniformes and Ciconiiformes ² in Gizil-Agaj	70,000	>100,000	70000 Based on the consultations with MENR on AWP for 2016, the activities were mainly focused on improving the capacity of Gizil-Agaj PA to better protect its territory against the illegal access. Therefore, no surveys have been conducted to identify the total number of bird species in the area of the protected area. However, it is planned to start the initial steps in preparing the management plan of Gizil-Agaj PA and supposedly by the middle of the next year the total number of these bird species may be identified and included into the next year's PIR.	Unable to assess	There were no data available to assess midterm status. The Gizil-Agaj reserve complex has monitoring data, but these have not been compiled or interpreted.
7. Total number of wintering waterbirds ³ in Gizil-Agaj	400,000	400,000 – 500,000	400,000 Based on the consultations with MENR on AWP for 2016, the activities were mainly focused on improving the capacity of Gizil-Agaj PA to better protect its territory against the illegal access. Therefore, no surveys have been conducted to identify the total number of bird species in the area of the protected area. However, it is planned to start the initial steps in preparing the management plan of Gizil-Agaj PA and supposedly by the middle of the next year the total number of these bird species may be identified and included into the next year's PIR.	Unable to assess	There were no data available to assess midterm status. The Gizil-Agaj reserve complex has monitoring data, but these have not been compiled or interpreted.
8. Average number (#/month during spawning season) of illegal sturgeon poaching incidents (or violation of fishing permits) occurring in Gizil-Agaj	Spring: >8 ⁴ Autumn: >6	Spring: >2 Autumn: >2	Spring<6 Autumn<4 According to the information provided by MENR, on average, the number of violations of fishing permits occurring in Gizil-Agaj PA decreased. The decrease in violation instances are attributed to the project last year and ongoing activities in the Gizil-Agaj PA related to the enhancement of its protection system. After being provided with necessary patrolling equipment which includes patrol cars, uniforms, torches, binoculars, GPS, bags, portable generators, sleeping bags and etc, the PA staff became very effective in conduct patrolling along the boundaries and within the territory of the Gizil-Agaj PA.	On target	Strengthened technical capacities have resulted in increased enforcement effectiveness.
9. Average number (#/month during winter) of recorded	Winter: >25/month ⁵	Winter: <10/month	<10; According to information provided by the Ministry of Ecology and Natural Resources, on average, the number of illegal bird hunting	On target	Strengthened technical capacities have resulted in

¹ The existing Gizil-Agaj complex comprises a total area of 99,060 ha, of which 88,360 is designated as a SNR and 10,700 is designated as a SNS.

² Including cormorants, herons, grebes, egrets, spoonbills and ibis.

³ Including surface-feeding ducks, diving ducks and coots.

⁴ The baseline record of illegal sturgeon poaching incidents in spring and autumn will be revised and updated in year 1 of project implementation (based on final 2012 enforcement records for the reserve complex).

⁵ The baseline record of illegal bird hunting incidents in spring and autumn will be revised and updated in year 1 of project implementation (based on the final 2012 enforcement records for the reserve complex).

Midterm Review Report, 2017

Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan)

UNDP PIMS ID: 4327; GEF Project ID: 4730

Indicator	Baseline	End of Project target	2016 Level (self-reported) ¹	MTR Assessment	MTR Justification
illegal bird hunting incidents occurring in Gizil-Agaj			incidents during the winter months has been recorded lower than 10. According to MENR, the number has been decreased due to a release of hunting licenses within the country. Therefore, the number of illegal hunting activities has decreased across the country since the last year. Hunters prefer acquiring a license to hunt legally rather than paying fines for illegal hunting activities. Also, there are places where hunting is legally allowed and hunters prefer hunting at such places rather than entering illegally into the protected areas.		increased enforcement effectiveness.
10. Average number (#/month/year) of cattle illegally grazing in Gizil-Agaj	>500/month	<10/month	400 illegal cattle grazing incidents were recorded during the year. Average number for illegal cattle grazing dropped to 33 per month in comparison with 54, the number provided in the last year's project PIR. The number decreased due to the project team's activities. To prevent cattle from entering into the territory of the Gizil-Agaj PA, boundary canals were properly excavated and cleared.	On target	The dredged boundary canals, new patrol boats and other critical equipment have improved enforcement capacities.
Achievement Rating, Outcome 1:				Moderately Satisfactory	
Outcome 2: Improved collaborative governance of, and institutional expertise in, the financial management of marine and coastal protected areas.					
11. Income/annum (US\$), by source, from marine and coastal protected areas	Government: US\$480,822 Donors: US\$277,720 Entry fees: US\$3,902\$ Tourism services: US\$0 Fines: US\$45,356 Resource use: US\$0 Concessions: US\$0 (baseline year = 2011/2012)	Government: >US\$750,000 Donors: >US\$500,000 Entry fees: >US\$15,000 Tourism services: >US\$10,000 Fines: >US\$75,000 Resource use: >US\$10,000 Concessions: >US\$10,000 (target year = 2016/17)	Government:US\$ 553,203 Donors:US\$ 525,000 Entry Fees:US\$ 2,400 Tourism services:0 Fines:US\$ 66,800 Resource use:0 Concessions:0 In comparison with previous year's figures, huge increase is observed this year. Donor spending this year has already exceeded the target level. However, as previously mentioned, it varies between years depending on the particular activities and expenses planned for that particular year. Major capital investments have been made in Shirvan and Gizil-Agaj PA during this year. There is an increase also observed in budget allocations for CMPAs by the Government. It mainly includes human resource and operational expenses. The amount of money collected from fines is about 26,000 USD more than the amount collected previously. Increase in the amount of fines is a good sign of enhanced protection system in coastal and marine protected areas. Decrease in the amount of entry fees is explained mainly by the exchange rate change between USD and the local currency. MENR pays much attention to the increasing number of visitors in the National Parks. According to the latest information received from MENR, buying a ticket to National Parks will be possible through the terminals which are practically available in almost every trading center, subways, airports, supermarkets and etc.	Marginally on target	Notable increases by government and particularly by donors. The entry fee figure of USD 2,400 seems too low.
12. Number of MENR staff completing in-service financial training and skills development programmes	0	>10	0 There were no financial trainings conducted during the second year of project's implementation. In consultation with the MENR, it was decided to focus this reporting period on enhancing the management effectiveness of the Gizil-Agaj reserve complex. Therefore, the second year of project's implementation was solely devoted to acquiring the necessary equipment for the PA's staff, building a new infrastructure,	Not on target	Trainings have not yet been delivered.

Midterm Review Report, 2017

Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan)

UNDP PIMS ID: 4327; GEF Project ID: 4730

Indicator	Baseline	End of Project target	2016 Level (self-reported) ¹	MTR Assessment	MTR Justification
			demarcating the PA's boundaries and preparing GIS map for Gizil-Agaj PA, etc. The financial trainings and skills development programmes are scheduled for the following years.		
13. Number of non-state stakeholder institutions and private sector businesses investing in, and/or supporting the administration of, marine and coastal protected areas	Donor agencies: 2 NGOs: 1 Private businesses: 0	Donor agencies: 4 NGOs: 2 Private sector: 2	Donor Agencies: 4 Private businesses: 0 NGOs:1 From the donor agencies, TGS and CNF provided their financial support to improve the tourism infrastructure in Shirvan National Park. According to the information received from MENR, the construction of ranger outposts in the territory of Shirvan was also financed by TGS and CNF. GIZ has also provided their assistance in sending the management staff of Shirvan NP to Germany for knowledge and experience sharing. It also financed the installation of solar panels in the territory of Shirvan National Park. KFW also conducted capacity building trainings for Samur Yalama NP's staff and provided financial support to the creation of Samur Yalama NP as well.	Marginally on target	The donor community has increased support. Private sector involvement has not materialized yet.
14. Number of business plans operational in individual marine and coastal national parks	0	4	0 As the project activities were mainly focused on enhancing the management capacity of Gizil-Agaj PA in consultation with the Ministry of Ecology, no actions have been conducted on strengthening the financial management systems in state protected areas and improving business planning capabilities of individual marine and coastal protected areas. Activities on improving the financial management system of CMPAs, including the improvement in business plans implementation by individual CMPAs, are scheduled for the following years.	Not on target	Business planning has not yet started.
15. Number of indicators of ecosystem health being regularly monitored and used to guide decision-making in marine and coastal protected areas	0	>10	0 In consultation with MENR, the second year of project's implementation was dedicated to enhance the management effectiveness of the Gizil-Agaj reserve complex. Therefore, no activity was implemented on the second component of the project, including the identification of progress on thresholds for ecosystem health. Starting next year, the project plans to focus more on implementation of activities under Outcome 2.	Not on target	Development of ecosystem health based monitoring systems has not started yet.
Achievement Rating, Outcome 2:				Moderately Unsatisfactory	

Annex 6: Annual Work Plan Budgets and Actual Expenditures

Outcome	Year 1 USD	Year 2 USD	Year 3 USD	Year 4 USD	Total USD
Indicative Breakdown of Project Budget in Project Document:					
Outcome 1	282,500	332,700	195,300	65,000	875,500
Outcome 2	42,700	145,000	71,400	34,400	293,500
Project Management	30,500	30,600	30,800	30,600	122,500
Total	355,700	508,300	297,500	130,000	1,291,500
Annual Work Plan Budgets and Actual Expenditures Incurred through Midterm:					
Outcome	2014	2015	2016	Cumulative Totals at Midterm (2014-2016)	
Outcome 1:					
Annual Work Plan	15,500	395,804	318,625	729,929	
Expended	18,815	346,775	310,482	676,072	
Balance (AWP-Expended)	(3,315)	49,029	8,143	53,857	
Outcome 2:					
Annual Work Plan	500	3,000	20,660	24,160	
Expended	495	1,843	21,302	23,639	
Balance (AWP-Expended)	5	1,157	(642)	521	
Project Management:					
Annual Work Plan	8,500	33,000	23,500	65,000	
Expended	5,189	30,269	22,290	57,748	
Balance (AWP-Expended)	3,311	2,731	1,210	7,252	
Grand Totals:					
Annual Work Plan	24,500	431,804	362,785	819,089	
Total Expended	24,500	378,887	354,073	757,459	
Balance (AWP-Expended)	0	52,918	8,712	61,630	

Notes:

Information obtained from combined delivery reports and annual work plans.

Costs allocated to Fund 62000 were included in the actual expenditure figures.

Annex 7: Cofinancing Table

Sources of Cofinancing ¹	Name of Cofinancer	Description of Actual Cofinancing Contributed at Stage of Midterm Review	Type of Cofinancing ²	Amount Confirmed at CEO Endorsement USD	Actual Amount Contributed at Stage of Midterm Review USD	Expected Amount by Project Closure USD	Actual % of Expected Amount USD
GEF Partner Agency	UNDP	1. Project Assistant's salary, UNDP Programme Officer's travel expenses, 2. Project car procurement and expenses, 3. Communication and translation expenses, 3. Office supplies, 4. IT equipment for project team, 5. Bank charges; MTR's consultancy fee;	Grant	\$150,000	\$83,682	\$150,000	
UNDP Grant Cofinancing, Sub-Total				\$150,000	\$83,682	\$150,000	56%
National Government	Ministry of Ecology and Natural Resources	1. Project Director's time spent on the project, 2. Time of staff in Biodiversity and International Relation Departments spent on the project, 3. Data provided for the project by MENR for free, 4. Park Management's time spent on project; Time spent for the organization of stakeholder meetings;	In-kind	\$200,000	\$110,000	\$200,000	
Government In-Kind Cofinancing, Sub-Total				\$200,000	\$110,000	\$200,000	55%
National Government	Ministry of Ecology and Natural Resources	1. Construction of Dams in GizilAgaj PA; 2. Construction of Buildings for Ecotourism services in Shirvan Coastal and Marine Protected Area; 3. Construction of berth for boats in Shirvan Coastal and Marine Protected Area; 4. Transportation expenses for the staff of MENR to travel to Gizil-Agaj PA under the project; 5. Construction of roads in Shirvan and Gizil-Agaj CMPAs; 6. Inputs made by MENR for Gizil-Agaj Admin building construction (Digging and excavation works); 7. Excavation and Cleaning of shallow boundary canals in Gizil-Agaj PA; 8. Electrification of outposts; 9. Transportation and delivery of purchased goods under the project; 10. Expenses for independent MENR's experts who provided advisory services when preparing tender documents; 11. Labor force involved during the construction of New Gizil-Agaj Administrative building, access control infrastructure and outpost; 12. Assistance provided during preparation of GIS map of Gizil-Agaj PA; 13. Organizational assistance provided in Project's Inception Workshop;	Grant	\$6,141,069	\$3,000,000	\$6,141,069	
Government Grant Cofinancing, Sub-Total				\$6,141,069	\$3,000,000	\$6,141,069	49%
TOTAL				\$6,491,069	\$3,193,682	\$6,491,069	49%

Notes:

1. Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Partner Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Other

2. Type of Co-financing may include: Grant, Soft Loan, Hard Loan, Guarantee, In-Kind, Other

Details provided by the project management unit.

Annex 8: Rating Scale Definitions

Ratings for progress towards results:

Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (U)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

Ratings for project implementation and adaptive management:

Highly Satisfactory (HS)	Implementation of all seven components – management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as “good practice”.
Satisfactory (S)	Implementation of most of the seven components is leading to efficient and effective project implementation and adaptive management except for only few that are subject to remedial action.
Moderately Satisfactory (MS)	Implementation of some of the seven components is leading to efficient and effective project implementation and adaptive management, with some components requiring remedial action.
Moderately Unsatisfactory (MU)	Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive, with most components requiring remedial action.
Unsatisfactory (U)	Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.
Highly Unsatisfactory (HU)	Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.

Ratings for sustainability (one overall rating):

Likely (L)	Negligible risks to sustainability, with key Outcomes on track to be achieved by the project’s closure and expected to continue into the foreseeable future
Moderately Likely (ML)	Moderate risks, but expectations that at least some Outcomes will be sustained due to the progress towards results on Outcomes at the Midterm Review
Moderately Unlikely (MU)	Significant risk that key Outcomes will not carry on after project closure, although some outputs and activities should carry on
Unlikely (U)	Severe risks that project Outcomes as well as key outputs will not be sustained

Annex 9: Signed UNEG Code of Conduct Agreement Form

Evaluators:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and: respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/ or oral presentation of study limitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Evaluation Consultant Agreement Form

Agreement to abide by the Code of Conduct for Evaluation in the UN System

Name of Consultant: James Lenoci

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signature:

Signed on 20 December 2016



James Lenoci, MTR Consultant

Annex 10: Terms of Reference

Terms of Reference for the Mid-term evaluation of the UNDP/GEF Project Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan)

1. INTRODUCTION

This is the Terms of Reference (ToR) for the UNDP-GEF Midterm Review (MTR) of the full-sized project titled **Increasing representation of effectively managed marine ecosystems in the protected area system (Azerbaijan) (PIMS # 4327)** implemented through the **Ministry of Ecology and Natural Resources of Azerbaijan Republic (MENR)**, which is to be undertaken in **2016-2017**. The project has been signed on **30 June 2014**, however, **its implementation has started in October 2014, therefore, the project is in the middle of its implementation period**. Therefore, in line with the UNDP-GEF Guidance on MTRs, there is a need to conduct the midterm evaluation of the project. This ToR sets out the expectations for this MTR. The MTR process must follow the guidance outlined in the document [*Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*](#).

2. PROJECT BACKGROUND INFORMATION

The Government of Azerbaijan has established a network of six protected areas (3 National Parks, 2 State Nature Reserves and 2 State Nature Sanctuaries) located within the coastal zone of the Caspian Sea, covering an area of 175,575ha. A lack of adequate investment in sustaining a professional staff complement; modernizing the planning and management systems; and developing and maintaining infrastructure and equipment in these coastal and marine protected areas is however compromising the Government's capacity to effectively secure the conservation values of these protected areas. The largest of these marine and coastal protected areas - the Gizil-Agaj State Nature Reserve (88,360 ha) and adjacent Lesser Gizil-Agaj State Nature Sanctuary (10,700 ha) - is considered one of the most important wetlands for wintering and breeding waterbirds in the Western Palearctic and thus forms the spatial focus for project interventions.

The project **goal** is: To establish, and effectively manage, a system of protected areas to conserve representative samples of Azerbaijan's globally unique biodiversity.

The project **objective** is: To improve the management effectiveness, including operational effectiveness and ecosystem representation, of Azerbaijan's coastal and marine protected area system, with due consideration for its overall sustainability, including ecological, institutional and financial sustainability.

In order to achieve the project objective, and address the barriers the project's intervention has been organised into two **components** (this is in line with the components presented at the PIF stage):

Component 1: Enhanced management effectiveness of the Gizil-Agaj reserve complex

Component 2: Improved collaborative governance of, and institutional expertise in, the management of marine and coastal protected areas

The project is expected to produce the following outcomes:

Outcome 1 - The outcome under the 1st component is focused on supporting an improvement in the management capacity (i.e. planning tools, knowledge management, staffing, infrastructure, equipment and funding) of Gizil-Agaj to address the external threats to, and pressures on, the conservation values of the reserve complex.

Outcome 2 - The outcome under the second component is focused on: Creating the enabling conditions for increasing, diversifying and stabilising the financial flows to coastal and marine protected areas; and developing and implementing a long term monitoring system to ensure that the integrity of ecosystems are not pushed over critical thresholds¹ in the commercialisation of, and natural resource use in, coastal and marine protected areas.

The project covers mainly the areas of – Neftchala, Masally and Lankaran, located in the southern parts of the country.

The project timeframe is 4 years. (2014 - 2018)

The project's total budget is presented below:

GEF: \$ USD 1,291,500

UNDP: \$ USD 150,000

Total: \$ USD 1,441,500

The project is implemented by the Ministry of Ecology and Natural Resources (MENR) with UNDP providing support services. The project closely collaborates with the Biodiversity Department within the MENR and the management of Gizil-Agaj Protected Area.

3. OBJECTIVES OF THE MTR

The MTR will assess progress towards the achievement of the project objectives and outcomes as specified in the Project Document, and assess early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. The MTR will also review the project's strategy, its risks to sustainability.

4. MTR APPROACH & METHODOLOGY

The MTR must provide evidence based information that is credible, reliable and useful. The MTR consultant will review all relevant sources of information including documents prepared during the preparation phase (i.e. PIF, UNDP Initiation Plan, UNDP Environmental & Social Safeguard Policy, the Project Document, project reports including Annual Project Review/PIRs, project budget revisions, lesson learned reports, national strategic and legal documents, and any other materials that the team considers useful for this evidence-based review). The MTR consultant will review the baseline GEF focal area Tracking Tool submitted to the GEF at CEO endorsement, and the midterm GEF focal area Tracking Tool that must be completed before the MTR field mission begins.

The MTR consultant is expected to follow a collaborative and participatory approach¹ ensuring close engagement with the Project Team, government counterparts (the GEF Operational Focal Point), the UNDP Country Office(s), UNDP-GEF Regional Technical Advisers, and other key stakeholders.

Engagement of stakeholders is vital to a successful MTR.² Stakeholder involvement should include interviews with stakeholders who have project responsibilities, including but not limited to: National

¹ For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see [UNDP Discussion Paper: Innovations in Monitoring & Evaluating Results](#), 05 Nov 2013.

² For more stakeholder engagement in the M&E process, see the [UNDP Handbook on Planning, Monitoring and Evaluating for Development Results](#), Chapter 3, pg. 93.

Focal Points on UN Convention on Biodiversity, the National Project Director, senior officials of the Ministry of Ecology and Natural Resources, key experts and consultants in the subject area, Project Board, Project stakeholders, academia, local government and CSOs, etc. Additionally, the MTR consultant is expected to conduct field missions to Gizil-Agaj PA as well.

5. DETAILED SCOPE OF THE MTR

The MTR team will assess the following four categories of project progress. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for extended descriptions.

i. Project Strategy

Project design:

- Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document.
- Review the relevance of the project strategy and assess whether it provides the most effective route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design?
- Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?
- Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?
- Review the extent to which relevant gender issues were raised in the project design. See Annex 9 of *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for further guidelines.
- If there are major areas of concern, recommend areas for improvement.

Results Framework/Logframe:

- Undertake a critical analysis of the project's logframe indicators and targets, assess how "SMART" the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary.
- Are the project's objectives and outcomes or components clear, practical, and feasible within its time frame?
- Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women's empowerment, improved governance etc...) that should be included in the project results framework and monitored on an annual basis.
- Ensure broader development and gender aspects of the project are being monitored effectively. Develop and recommend SMART 'development' indicators, including sex-disaggregated indicators and indicators that capture development benefits.

ii. Progress Towards Results

Progress Towards Outcomes Analysis:

- Review the logframe indicators against progress made towards the end-of-project targets using the Progress Towards Results Matrix and following the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*; colour code progress in a "traffic light system" based on the level of progress achieved; assign a rating on progress for each outcome; make recommendations from the areas marked as "Not on target to be achieved" (red).

Table. Progress Towards Results Matrix (Achievement of outcomes against End-of-project Targets)

Project Strategy	Indicator ³	Baseline Level ⁴	Level in 1 st PIR (self-reported)	Midterm Target ⁵	End-of-project Target	Midterm Level & Assessment ⁶	Achievement Rating ⁷	Justification for Rating
Objective:	Indicator (if applicable):							
Outcome 1:	Indicator 1:							
	Indicator 2:							
Outcome 2:	Indicator 3:							
	Indicator 4:							
	Etc.							
Etc.								

Indicator Assessment Key

Green= Achieved	Yellow= On target to be achieved	Red= Not on target to be achieved
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In addition to the progress towards outcomes analysis:

- Compare and analyse the GEF Tracking Tool at the Baseline with the one completed right before the Midterm Review.
- Identify remaining barriers to achieving the project objective in the remainder of the project.
- By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.

iii. Project Implementation and Adaptive Management

Management Arrangements:

- Review overall effectiveness of project management as outlined in the Project Document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement.
- Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement.
- Review the quality of support provided by the GEF Partner Agency (UNDP) and recommend areas for improvement.

Work Planning:

- Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved.
- Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results?
- Examine the use of the project's results framework/ logframe as a management tool and review any changes made to it since project start.

Finance and co-finance:

- Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions.

³ Populate with data from the Logframe and scorecards

⁴ Populate with data from the Project Document

⁵ If available

⁶ Colour code this column only

⁷ Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU

- Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.
- Does the project have the appropriate financial controls, including reporting and planning, that allow management to make informed decisions regarding the budget and allow for timely flow of funds?
- Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co-financing partners regularly in order to align financing priorities and annual work plans?

Project-level Monitoring and Evaluation Systems:

- Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?
- Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively?

Stakeholder Engagement:

- Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?
- Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?
- Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?

Reporting:

- Assess how adaptive management changes have been reported by the project management and shared with the Project Board.
- Assess how well the Project Team and partners undertake and fulfil GEF reporting requirements (i.e. how have they addressed poorly-rated PIRs, if applicable?)
- Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.

Communications:

- Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?
- Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)
- For reporting purposes, write one half-page paragraph that summarizes the project's progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits.

iv. Sustainability

- Validate whether the risks identified in the Project Document, Annual Project Review/PIRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate and up to date. If not, explain why.
- In addition, assess the following risks to sustainability:

Financial risks to sustainability:

- What is the likelihood of financial and economic resources not being available once the GEF assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project's outcomes)?

Socio-economic risks to sustainability:

- Are there any social or political risks that may jeopardize sustainability of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project? Are lessons learned being documented by the Project Team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?

Institutional Framework and Governance risks to sustainability:

- Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems/ mechanisms for accountability, transparency, and technical knowledge transfer are in place.

Environmental risks to sustainability:

- Are there any environmental risks that may jeopardize sustenance of project outcomes?

Conclusions & Recommendations

The MTR consultant will include a section of the report setting out the MTR's evidence-based conclusions, in light of the findings.⁸

Recommendations should be succinct suggestions for critical intervention that are specific, measurable, achievable, and relevant. A recommendation table should be put in the report's executive summary. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for guidance on a recommendation table.

The MTR team should make no more than 15 recommendations total.

Ratings

The MTR consultant will include its ratings of the project's results and brief descriptions of the associated achievements in a *MTR Ratings & Achievement Summary Table* in the Executive Summary of the MTR report. See Annex E for ratings scales. No rating on Project Strategy and no overall project rating is required.

⁸ Alternatively, MTR conclusions may be integrated into the body of the report.

Table. MTR Ratings & Achievement Summary Table for the Project
Increasing representation of effectively managed marine ecosystems in the protected area system
(Azerbaijan)

Measure	MTR Rating	Achievement Description
Project Strategy	N/A	
Progress Towards Results	Objective Achievement Rating: (rate 6 pt. scale)	
	Outcome 1 Achievement Rating: (rate 6 pt. scale)	
	Outcome 2 Achievement Rating: (rate 6 pt. scale)	
	Outcome 3 Achievement Rating: (rate 6 pt. scale)	
	Etc.	
Project Implementation & Adaptive Management	(rate 6 pt. scale)	
Sustainability	(rate 4 pt. scale)	

6. TIMEFRAME

The total duration of the MTR will be approximately *25 days* over a time period of *14 weeks*, and shall not exceed five months from when the consultant is hired. The tentative MTR timeframe is as follows:

TIMEFRAME	ACTIVITY
21.11.2016 (2 weeks)	Application closes
24.11.16 (3 days)	Select MTR consultant
01.12.16 (1 week)	Prep the MTR consultant (handover of Project Documents)
08.12.16 (1 week)	Document review and preparing MTR Inception Report
15.12.16 (1 week)	Finalization and Validation of MTR Inception Report- latest start of MTR mission
16.01.17 – 23.01.17 (1 week)	MTR mission: stakeholder meetings, interviews, field visits
23.01.17 (1 day)	Mission wrap-up meeting & presentation of initial findings- earliest end of MTR mission
24.01.17 - 07.02.2017 (2 weeks)	Preparing draft report
08.02.17 – 15.02.17 (1 week)	Incorporating audit trail from feedback on draft report/Finalization of MTR report (note: accommodate time delay in dates for circulation and review of the draft report)
16.02.17 – 09.03.17 (3 weeks)	Preparation & Issue of Management Response
16.03.17 (1 week)	Expected date of full MTR completion

Options for site visits should be provided in the Inception Report.

7. MIDTERM REVIEW DELIVERABLES

#	Deliverable	Description	Timing	Responsibilities
1	MTR Inception Report	MTR team clarifies objectives and methods of Midterm Review	No later than 2 weeks before the MTR mission: 02.12.16	MTR consultant submits to the Commissioning Unit and project management
2	Presentation	Initial Findings	End of MTR	MTR Team presents to

			mission: 23.01.17	project management and the Commissioning Unit
3	Draft Final Report	Full report (using guidelines on content outlined in Annex B) with annexes	Within 2 weeks of the MTR mission: 07.02.17	Sent to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit, GEF OFP
4	Final Report*	Revised report with audit trail detailing how all received comments have (and have not) been addressed in the final MTR report	Within 1 week of receiving UNDP comments on draft: 15.02.17	Sent to the Commissioning Unit

*The final MTR report must be in English. If applicable, the Commissioning Unit may choose to arrange for a translation of the report into a language more widely shared by national stakeholders.

8. MTR ARRANGEMENTS

The principal responsibility for managing this MTR resides with UNDP Azerbaijan Country Office that acts as Commissioning Unit.

The commissioning unit will contract the consultant and ensure the timely provision of per diems and travel arrangements within the country for the MTR consultant. The Project Team will be responsible for liaising with the MTR consultant to provide all relevant documents, set up stakeholder interviews, and arrange field visits.

9. QUALIFICATION REQUIREMENTS AND COMPETENCES

The consultant cannot have participated in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and should not have a conflict of interest with project's related activities.

The consultant is expected to meet the following qualification requirements:

- A Master's degree in environmental management, or other closely related field (20 points)
- Experience working with the GEF or GEF-evaluations (25 points);
- Work experience in relevant technical areas for at least 10 years (25 points);
- Fluency in English (15 points)
- Experience working in Europe and CIS regions, particularly Azerbaijan, will be an asset. (15 points)

Required competences:

- Recent experience with result-based management evaluation methodologies;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Competence in adaptive management, as applied to biodiversity
- Demonstrated understanding of issues related to gender and biodiversity; experience in gender sensitive evaluation and analysis.
- Excellent communication skills;
- Demonstrable analytical skills;
- Project evaluation/review experiences within United Nations system will be considered an asset;

10. PAYMENT MODALITIES AND SPECIFICATIONS

20% advance payment

20% of payment upon approval of the final MTR Inception Report

20% upon submission of the draft MTR report

40% upon finalization of the MTR report

11. APPLICATION PROCESS⁹

Recommended Presentation of Proposal:

- a) **Letter of Confirmation of Interest and Availability** using the [template](#)¹⁰ provided by UNDP;
- b) **CV** and a **Personal History Form (P11 form)**¹¹;
- c) **Brief description of approach to work/technical proposal** of why the individual considers him/herself as the most suitable for the assignment, and a proposed methodology on how they will approach and complete the assignment; (max 1 page)
- d) **Financial Proposal** that indicates the all-inclusive fixed total contract price and all other travel related costs (such as flight ticket, per diem, etc), supported by a breakdown of costs, as per template attached to the Letter of Confirmation of Interest template. If an applicant is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the applicant must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

Criteria for Evaluation of Proposal: Only those applications which are responsive and compliant will be evaluated. Offers will be evaluated according to the Combined Scoring method – where the educational background and experience on similar assignments will be weighted at 70% and the price proposal will weigh as 30% of the total scoring. The applicant receiving the Highest Combined Score that has also accepted UNDP's General Terms and Conditions will be awarded the contract.

All application materials should be submitted by e-mail at the following addresses ONLY: Tamirlan.gasimov@undp.org; CC: Humaya.husseyanova@undp.org by 21.11.2016 at 18.00 local COB Baku time

ToR ANNEX A: List of Documents to be reviewed by the MTR Team

1. PIF
2. UNDP Initiation Plan
3. UNDP Project Document
4. UNDP Environmental and Social Screening results
5. Project Inception Report
6. All Project Implementation Reports (PIR's)
7. Quarterly progress reports and work plans of the various implementation task teams
8. Audit reports
9. Finalized GEF focal area Tracking Tools at CEO endorsement and midterm Tracking Tools for Biodiversity
10. Oversight mission reports
11. All monitoring reports prepared by the project

⁹ Engagement of the consultants should be done in line with guidelines for hiring consultants in the POPP: <https://info.undp.org/global/popp/Pages/default.aspx>

¹⁰

<https://intranet.undp.org/unit/bom/psa/Support%20documents%20on%20IC%20Guidelines/Template%20for%20Confirmation%20of%20Interest%20and%20Submission%20of%20Financial%20Proposal.docx>

¹¹ http://www.undp.org/content/dam/undp/library/corporate/Careers/P11_Personal_history_form.doc

12. Financial and Administration guidelines used by Project Team

The following documents will also be available:

13. Project operational guidelines, manuals and systems
14. UNDP country/countries programme document(s)
15. Minutes of the Project Board Meetings and other meetings (i.e. Project Appraisal Committee meetings)
16. Project site location maps

ToR ANNEX B: Guidelines on Contents for the Midterm Review Report¹²

- i. Basic Report Information *(for opening page or title page)*
 - Title of UNDP supported GEF financed project
 - UNDP PIMS# and GEF project ID#
 - MTR time frame and date of MTR report
 - Region and countries included in the project
 - GEF Operational Focal Area/Strategic Program
 - Executing Agency/Implementing Partner and other project partners
 - MTR team members
 - Acknowledgements
- ii. Table of Contents
- iii. Acronyms and Abbreviations
1. Executive Summary *(3-5 pages)*
 - Project Information Table
 - Project Description (brief)
 - Project Progress Summary (between 200-500 words)
 - MTR Ratings & Achievement Summary Table
 - Concise summary of conclusions
 - Recommendation Summary Table
2. Introduction *(2-3 pages)*
 - Purpose of the MTR and objectives
 - Scope & Methodology: principles of design and execution of the MTR, MTR approach and data collection methods, limitations to the MTR
 - Structure of the MTR report
3. Project Description and Background Context *(3-5 pages)*
 - Development context: environmental, socio-economic, institutional, and policy factors relevant to the project objective and scope
 - Problems that the project sought to address: threats and barriers targeted
 - Project Description and Strategy: objective, outcomes and expected results, description of field sites (if any)
 - Project Implementation Arrangements: short description of the Project Board, key implementing partner arrangements, etc.
 - Project timing and milestones
 - Main stakeholders: summary list
4. Findings *(12-14 pages)*
 - 4.1 Project Strategy
 - Project Design
 - Results Framework/Logframe
 - 4.2 Progress Towards Results
 - Progress towards outcomes analysis
 - Remaining barriers to achieving the project objective

¹² The Report length should not exceed 40 pages in total (not including annexes).

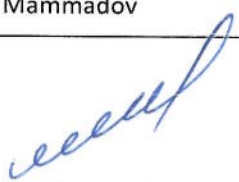
- 4.3 Project Implementation and Adaptive Management
 - Management Arrangements
 - Work planning
 - Finance and co-finance
 - Project-level monitoring and evaluation systems
 - Stakeholder engagement
 - Reporting
 - Communications
- 4.4 Sustainability
 - Financial risks to sustainability
 - Socio-economic to sustainability
 - Institutional framework and governance risks to sustainability
 - Environmental risks to sustainability
5. Conclusions and Recommendations (4-6 pages)
 - 5.1 Conclusions
 - Comprehensive and balanced statements (that are evidence-based and connected to the MTR's findings) which highlight the strengths, weaknesses and results of the project
 - 5.2 Recommendations
 - Corrective actions for the design, implementation, monitoring and evaluation of the project
 - Actions to follow up or reinforce initial benefits from the project
 - Proposals for future directions underlining main objectives
6. Annexes
 - MTR ToR (excluding ToR annexes)
 - MTR evaluative matrix (evaluation criteria with key questions, indicators, sources of data, and methodology)
 - Example Questionnaire or Interview Guide used for data collection
 - Ratings Scales
 - MTR mission itinerary
 - List of persons interviewed
 - List of documents reviewed
 - Co-financing table (if not previously included in the body of the report)
 - Signed UNEG Code of Conduct form
 - Signed MTR final report clearance form
 - *Annexed in a separate file:* Audit trail from received comments on draft MTR report

ToR ANNEX C: Midterm Review Evaluative Matrix Template

Evaluative Questions	Indicators	Sources	Methodology
Project Strategy: To what extent is the project strategy relevant to country priorities, country ownership, and the best route towards expected results?			
(include evaluative question(s))	(i.e. relationships established, level of coherence between project design and implementation approach, specific activities conducted, quality of risk mitigation strategies, etc.)	(i.e. project documents, national policies or strategies, websites, project staff, project partners, data collected throughout the MTR mission, etc.)	(i.e. document analysis, data analysis, interviews with project staff, interviews with stakeholders, etc.)
Progress Towards Results: To what extent have the expected outcomes and objectives of the project been achieved thus far?			

Project Implementation and Adaptive Management: Has the project been implemented efficiently, cost-effectively, and been able to adapt to any changing conditions thus far? To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project's implementation?			
Sustainability: To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results?			

Annex 11: Signed MTR Final Report Clearance Form

Midterm Review Report Reviewed and Cleared By:	
Commissioning Unit: UNDP Senior Programme Adviser	
Name: Chingiz Mammadov	
Signature: 	Date: 14.06.2017
UNDP-GEF Regional Technical Advisor	
Name: Maxim Vergeichik	
Signature: 	Date: 14.06.2017