



**SUSTAINABLE LAND AND FOREST
MANAGEMENT
IN THE GREATER CAUCASUS LANDSCAPE
TERMINAL EVALUATION REPORT**

DECEMBER 2018

Project data sheet

Project Title: Sustainable land and forest management in the Greater Caucasus landscape
UNDAF Outcome: Outcome 1: 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. Component 3: Reducing the vulnerability of the environment to the effects of economic growth, while reducing the vulnerability of the economy and the population to the effects of climate change and natural disasters through climate risk management.
UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: <i>Mobilizing environmental financing</i> UNDP Strategic Plan Secondary Outcome: <i>Promoting Adaptation to Climate Change</i>
Expected CP Outcome (s): Outcome 1.3: Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote the green economy, and reduce vulnerability to climate change. Output 1.3.5: Pasture degradation in mountainous areas reduced through improved land management practices.
Executing Entity/Implementing Partner: Ministry of Ecology and Natural Resources.
Implementing Entity/Responsible Partners: Ministry of Ecology and Natural Resources

Project data according to the Project Document:

Programme Period: 2011-2015
 Atlas Award ID: 00063140
 GEF Project ID: 00080444
 EC component Atlas Award ID 00072191
 EC component Project ID: 00085357
 PIMS # 4418
 Start date: January 2013
 Original End Date December 2017***
 Management Arrangements: NEX

Total allocated resources: \$18,532,595*

Regular: - UNDP: \$383,895 **

Other: - GEF: \$5,680,000
 - EC: €1,000,000
 - Government: \$4,500,000

In-kind contributions:

- FAO: \$500,000
 - Government: \$6,170,000

* Consultant was informed that total allocated resources amounted to \$ 17,080,000

** Consultant was informed that the UNDP Contribution amounted to \$ 230,000

*** Project extension to December 2018

Acknowledgements

The Consultant would like to express his appreciation and gratitude to all those,- too many to mention all the names,- who have contributed, in their Offices in Baku or in the field, to the work of the Terminal Evaluation of the Project, and for sharing their views and insights on the Project and on related developments.

Special thanks go to the staff of the Ministry of Ecology and Natural Resources in Baku and in the Rayon of Ismayilli who are directly or indirectly involved in the Project, to the Deputy Head of the Rayon Administration in Ismayilli, to the Head of Strategic Planning and Development Department of the Center for Analyses of Economic Reforms and Communication, to other Offices that were contacted by the Mission, and to the farmers who met with the Mission.

Special thanks to the PMU staff, for all the organisational work related to the various appointments, the site visits in the rayon, and for the arrangement of all necessary logistics.

The Deputy Resident Representative, and the Senior Programme Advisor for the Natural Resources Support Group gave their useful insights for the Mission.

Charles Vanpraet
Consultant
Natural Resources Ecologist

TABLE OF CONTENTS

Acronyms, abbreviations and glossary

Executive Summary

1. Introduction

- 1.1. Purpose of the TE and objectives
- 1.2. Scope & Methodology: principles of design and execution of the MTR
- 1.3. Structure of the MTR report

2. Project Description and Background Context

- 2.1. Project background
- 2.2. Problems that the project sought to address: threats and barriers targeted
- 2.3. Project design and Strategy
- 2.4. Main stakeholders: summary list

3. Findings of the Mission

- 3.1. Project logical framework/project design
- 3.2. Project Management Team
- 3.3. Project Inception
- 3.4. Project Executive Group
- 3.5. Stakeholder engagement
- 3.6. Reporting and communication
- 3.7. Project results
- 3.8. Sustainability
- 3.9. Project management and cost effectiveness

4. Conclusions and recommendations

- 4.1. Conclusions
- 4.2. Recommendations

5. Annexes

- A1. Full logical framework
- A2. TE details of achievement matrix
- A3. People met
- A4. TE Mission programme
- A5. List of documents reviewed
- A6. Rating table

Acronyms, Abbreviations and Glossary

ASAU – Azerbaijan State Agricultural University
CEO – chief executive officer
CIS – Commonwealth of Independent States
ENPI FLEG – European Neighborhood Policy Instrument, Forest Law Enforcement and Governance Program
EU – European Union
FAO – United Nations Food and Agriculture Organization
FSC – Forest Stewardship Council
FUA – forest user association
GAA – Ganja Agribusiness Association
GEF – Global Environment Facility
GHG – greenhouse gas
GIS – geographic information system
GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit German
GPS – global positioning system
GRASSLAND - an area dominated by grass and grass like vegetation
HA – hectare
IC – individual contractor
I&E – Implementation and execution
IPCC – Intergovernmental Panel on Climate Change
IPFMPs – integrated rayon-level pasture and forest management plans
LULUCF – land use, land use change, and forestry
LWG – legal working group
M – million
MoA – Ministry of Agriculture
MoENR – Ministry of Ecology and Natural Resources
MOU – memorandum of understanding
MTR – mid-term review
NA – not applicable or not available
NAPCD – National Action Plan to Combat Desertification
NAS – National Academy of Sciences
NGO – non-governmental organization
NTFPs – non-timber forest products
PASTURE - an area where cattle can be kept for feeding
PES – payment for ecosystem services
PIF – project identification form PIR – project implementation report
PM – project manager
PRF – project results framework
ProDoc – project document
PSC – project steering committee
PUA – pasture user association
RANGELAND - lands with native vegetation (grasses, etc,) suitable for grazing
RAPCD – Rayon Action Plan to Combat Desertification
REDD+ - Reducing Emissions from Deforestation and Forest Degradation

EXECUTIVE SUMMARY

Situation

Azerbaijan is a mountainous country on the western coast of the Caspian Sea of 86,600 km². It has a total forests area of 1,178,500 hectares, or 11.6% of the country's land area. These forests comprise three main types: coniferous (1.5%), broadleaved (92.6%) and other deciduous trees (5.9% ha). Approximately 15% of these are considered to be "closed forest" with a canopy cover of greater than 40% and the remaining 85% are considered to be "open and fragmented" with 10% - 40% canopy cover and a height of less than 5 meters.

Besides the forests, the Greater Caucasus has approximately 591,100 hectares of pastureland, of which 247,300 ha are summer pastures and 343,800 ha of winter pastures.

The variety of microclimates, soil and vegetative conditions has led to a broad range of landscapes and unusually high levels of species diversity in the temperate zone.

Problems to be addressed

According to the project formulation mission, overgrazing is one of the main contributing factors to pasture and forest degradation; between 1951 and 2008 the stocking rate for the pastures increased 5 times over the carrying capacity.

Three main causal issues were identified by the Project Identification Mission:

- An inadequate legal, regulatory and institutional framework for sustainable forest and pasture management;
- Minimal experience among key government and civil society stakeholders in developing and implementing SL&FM practices on the ground;
- Lack of robust (but practical) monitoring protocols and practices for carbon flows and the absence of tailored methodological approaches for carbon stock field assessment.

The Project

The Sustainable Land and Forest Management Project, hereafter called the SLFMP, is a 5-year UNDP-GEF project in Azerbaijan with USD5.68 million in GEF funding. Additional inputs are presented in the Project Data Sheet.

Project formulation took place in 2011. The project was approved by the Council of Ministers in 2013, and launched. The original project closing date was Dec. 2017.

All field work is focused on the two rayons of Ismayilli and Shamakhi. The project is

considered by many to be complex and ambitious in its coverage of pastures, forests, related policies, PES, carbon issues etc..

The MoENR, is the project execution agency, the implementation partner and the main beneficiary of the Project. It regulates the environmental aspects of pastures and also oversees the forestry sector.

The MoA is responsible for promoting animal husbandry. The rayons (administrative regions) are responsible for renting out pasture to pastoralists.

Project objective (long term goal to which the Project is expected to contribute)

Increased forest and pasture cover in the Greater Caucasus achieved via sustainable land and forest management.

The Project has 3 distinct outcomes , each with a number of outputs and activities. All project components have activities in both forests and pastures.

Outcome 1 - Enabling policy and institutional environment for integrating SLM and SFM within the state programs and rayon level land use and forest management frameworks.

This Outcome has 2 outputs.

Outcome 2 - Demonstrated forest recovery and reduction of degradation from grazing and browsing pressures by livestock.

This outcome has 3 sub outcomes:

Outcome 2A – Maps/GIS, Inventory, followed by and Management Plans

Outcome 2B – Afforestation and Pasture Planting.

Outcome 2C – People-oriented Initiatives (such as livelihoods and subsidy pilots).

There are 4 outputs in these outcomes.

Outcome 3: Objectives and methods to enhance carbon storage potential of forests and pastures integrated in forestry and pasture land-use planning and decision making.

This outcome has 3 outputs.

The project target area encompasses the region of Azerbaijan known as the Greater Caucasus Mountains, encompassing 11 rayons or districts of northwestern Azerbaijan. It includes two rayon's in the southeast of this region, Ismayilli and Shamakhi, which will serve as pilot areas for demonstrating improved pasture and forest management.

This covers an area of just over 22,000 km². Characteristics include: (i) their forest and pasturelands are representative of forest and pastureland across the Greater Caucasus region, which will facilitate replication; (ii) they are prone to degradation largely from over-grazing, with steep upper catchments and upper river beds and have a history of increasing problems related to erosion; (iii) there are many communities within them, who are users of the pasturelands and forest resources; (iv) the economy of the basins and the human activities associated with them are typical of the region; and (v) they are relatively close to

Baku, which makes it more cost-effective to work and demonstrate SLM and SFM in these areas.

For more information on the components and activities please refer to the Project Logical Framework in the Annexes to this document.

The Project was approved by the Council of Ministers and started early 2013.

Project inception took place in July 2013.

The Project had a Project Board, which appeared to have the composition of a Steering Committee, with an active member from the MoENR (the Project Director), UNDP (the DRR), and the Project Team.

The Project Management Unit (PMU) had a 7 full-time staff: a project manager, four team leads, a finance assistant, two field managers (one in each rayon) and an administrative assistant.

A Project mid term review was conducted in Dec. 2015. A number of relevant recommendations were made by the MTR following an interview-intensive methodology, conducting about 35 interviews with members of the project team, experts retained by the project, national and local level officials, pastoralists, forest users, villagers, and other donors. It included field visits to Ismayilli and Shamakhi.

According to the MTR (2015), it took almost a year before activities geared up to a significant pace in mid-2014.

Among the issues that were identified by the MTR figured:

1. a lack of buy-in by the MoENR;
2. a lack of buy-in by the rayon governments and
3. a lack of focus and pro-activeness by the Project.

The MTR also indicated *inter alia* that the Project Logical Framework could have been designed in a more logical way, with logical links between different components of the Project. The MTR went as far as recommending a substantial review of the logframe.

The SLFMP worked very closely with the EU-UNDP ClimaEast Project, with a budget of US1.3 M. The project focused on pastures and carbon. The ClimaEast project came to an end in 2017.

Views of the TE Mission

Please note that the issues spelled out below are not meant to criticize the Project, but rather as lessons learned, that may be useful for the future efforts of the GoA to improve its legislative and institutional frameworks pertaining to sustainable national resources management.

Project design and scope

The project deals *inter alia* with the following tasks:

- The assessment of the pasture and forest resources and identifying specific management issues; geographic focus of the field work is on the Ismayilli rayon.
- Assessing and updating the legal provision pertaining to natural resources management;
- The preparation of management plans of the above resources;
- The improvement of the management of above resources;
- Undertaking institutional analyses and identifying needed adjustments;
- Implement the necessary institutional changes;
- The payment of ecosystem services;
- The assessment of carbon sequestration;
- The creation of forest and pasture associations

To carry out such a huge and divers programme in a 5 year period is extremely difficult. Several of the above components may be relatively easy to prepare (e.g. legislation, assessments), yet the endorsement of these proposals is likely to take more time, and in the view of the TE Mission, many projects have prepared legislations that were never endorsed, let alone applied.

The same problem exists with the institutional arrangements. These arrangements, from the information that was gathered by the Mission, is far from being completed and at the time of the Mission, new negotiations were underway by the GoA, to update and reorganise the institutional responsibilities pertaining to natural resources.

Furthermore the Mission feels that the chronological sequence of the implementation of the outcomes in the logical framework could have been more "logical," as outlined below:

Part 1

- definition of the methodologies suitable for the assessment of the rangeland a forest resources conditions and trends, with the involvement of the relevant national institution(s); reason: one has to identify (a) problem (s), and the causes.
- carry out inventories and trend analyses of the land, range and forest resources as required in the logical framework, and identify concrete management issues. If a problem has to be resolved, it has to be clearly identified, as well as the causes of the problem;
- preparation of the management plans with the relevant institution(s) and strengthening the capacities where needed;

Part 2

- based on the results under Part 1, analyse the existing legislation, identify shortcomings and propose updating where needed;
- analyses/assessment of the institutional capacities and introduction of adjustments where needed;
- PES and C sequestration related activities by the relevant institutions and strengthening of these institutions where necessary in order to ensure sustainability.

The above work sequence not only has a technical logic and importance, but it may also affect the attitude of the Government towards the Project, the level of acceptance and thus the level of cooperation and buy-in...

Project structure and management

The overall Head of the Project is the National Project Director, who is the Head of the Administration Division of the MoENR.

A day to day Project Management Unit was set up comprising a Project Manager, and 4 technical lead staff dealing each with a project technical field.

Two administrative staff had their office at UNDP.

The MTR Report (Dec. 2015) listed a range of factual issues and recommendations. These included “a lack of full MoENR buy-in....and a lack of rayon government buy-in”.

A logical management response of the Project would have been to address these issues, and to study the causes.

To address issues of this kind the Project can submit them to the Project Board (PB), which is the highest level decision making body of any project. As stated in the Project Document, “the success of the project implementation is dependent upon strong project guidance, coordination and advocacy from the Project Board”. The structure of the Project Board of the Project was not fully in line with the organizational structure prescribed in the Project Document.

All reports of that committee were labeled Steering Committee Reports.

One can only wonder: was the PB not set up because of the lack of buy-in or was the lack of buy-in a result of the absence of the PB....

Project Inception

In the view of the TE Mission, the main weakness in the entire (complex) project was the absence of a well structured, goal oriented and moderated inception workshop, which should have brought together all project stakeholders in order to define and agree on the responsibilities of each one of them; define domains of jurisdiction, responsibilities, prepare a clear roadmap of the project, and writing down the decisions in a clear inception report, endorsed by all parties.

Project implementation

Based on the study of the various reports (PIR, MTR etc.), it is clear that the project started in a somewhat uneasy manner. The lack of buy-in and the uneasy start up were probably related, and continued, be it to a lesser extent, during the latter half of the Project.

In addition, but possibly related, a high number of activities were outsourced to national and international consulting companies/consultants. This in itself does not promote ownership of the project by the national stakeholders, learning by doing, on the job training, on the job capacity building, and not the least sustainability of the Project.

This may also be related to possible lack of involvement of the national stakeholders in the project preparation and its programme design.

Achievements of the project per outcome

Basis for the assessment of the various outputs is the 2018 PIR Report that was produced shortly before the TE Mission, together with the assessments as they were reported by members of the Project Team to the TE Mission.

The full framework with the project achievements per output is attached to this document as Annex 1

Given the somewhat uneasy start of the Project, the Mission feels that, despite the complexity of the Project outcomes and the institutional environment, the Project has achieved remarkable outputs, in terms of training, capacity strengthening and in the overall field of improved natural resources management.

While, in the view of the consultant, the task is not entirely completed, the information gathered by the project constitutes an excellent base of information that is undoubtedly very useful for the legal and institutional adjustments that continue to be going on, under the lead of *inter alia* the Center for Analyses of Economic Reforms and Communication of the GoA.

Conclusions and ratings

1. The project is very complex and diverse; it appears that the formulators has underestimated time needed for the fundamental review and adjustment of the legal and institutional frameworks pertaining to natural resources planning and management in Azerbaijan.
2. As reported earlier by the MTR, (see Project design and scope), the chronological sequence of the implementation of the project outcomes could have been more logical: first one addresses the state and trends of the natural resources, then the issues to be addressed, and subsequently the legal and institutional provisions.
3. The introduction of new approaches related *inter alia* to PES, to carbon sequestration, farmers associations, needs time and persuasion, and will be achieved eventually.
4. Because of the project complexity, a well organized and properly moderated Inception workshop, assembling all key stakeholders, is extremely important in order to clearly define all planned project activities, and to make a clear roadmap of its implementation, in other words: "who will do what".
In the view of the TE Mission, this step did not get the necessary attention.
5. Despite the above issues, the Project may not have achieved all its outputs, but has made remarkable achievements towards their completion.
6. For details on the achievements, please refer to the Logical Framework under Annex 2.

7. While the tasks of the Project may not be entirely completed, the information gathered by the project constitutes a base of information that is undoubtedly very useful for the legal and institutional adjustments that continue to be going on, and led by the Center for Analyses of Economic Reforms and Communication of the GoA. The consultant firmly believes that the Government of Azerbaijan is on the right track when it comes to natural resources planning and management, and that the right decisions are going to be taken in due time.

Project Ratings

Progress towards results: MS (moderately satisfactory)

Relevance: Relevant

Sustainability: ML (moderately likely).

Outcomes: MS

Effectiveness: MS

Efficiency: MS

M&E: MS

I&E: MS

A summary ratings and justification table is included in the annexes to this report under Annex 6.

1. Introduction

1.1. Purpose of the Terminal Evaluation (TE) and objectives

The TE was conducted according to the guidance, rules and procedures established by UNDP and GEF as reflected in the UNDP Evaluation Guidance for GEF Financed Projects. As expressed in the TOR of the Mission, this terminal evaluation mission, hereafter called “the Mission” did not include the EU funded ClimaEast Pilot Project on Ecosystem-based approaches to climate change.

The objective of the evaluation was to assess the achievement of project results, to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP programming.

1.2. Approach & Methodology of the TE

The evaluator followed the overall approach and method for conducting project terminal evaluations of UNDP supported GEF financed projects, using the criteria defined and explained in the UNDP Guidance for Conducting Terminal Evaluations of UNDP- supported, GEF-financed Projects.

Following an initial document review, a mission of 6 days was foreseen to cover all aspects of the evaluation. Needless to say that to examine a project of such scope and complexity, and carry out various sites visits, 6 days (17 to 22 October 2018) is extremely short.

The Mission participated in a field mission to the Ismayilli rayon of Azerbaijan and various project sites in winter and summer pastures areas as well as in forested areas.

Some 30 interviews were held with a number of institutions, including the Ministry of Ecology and Natural Resources, the Ministry of Agriculture, the Center for Analyses of Economic Reforms and Communication, as well as a number of managers of related projects in the sector (FAO, GIZ).

Interviewees also included members and ex members of the Project Team, pastoralists, forest users, villagers, etc. The TE work benefited strongly from the support of members the Project Team.

On the last day of the mission, the reviewer had a brief meeting with 2 members the Project Team, the DRR as well as to the UNDP Senior Programme Officer Natural Resources of UNDP.

A list of the people met is included in annex 3 to this report.

The evaluator reviewed relevant sources of information, such as the project document, project reports – including Annual APR/PIR, midterm review, a range of technical reports prepared by consultants, national strategic and legal documents, and other materials the evaluator considered useful for this assessment.

1.3. Structure of the MTR report

The Mission followed the classical format of a terminal evaluation report, as outlined in the table of contents.

2. Project Background and Context

2.1. Project background

The *Sustainable Land and Forest Management in the Greater Caucasus* (SLFM) is a UNDP-GEF project implemented in Azerbaijan. The project was designed with a duration of five years and GEF funding of USD5.68 million.

Its objective is the achievement of sustainable land and forest management in Azerbaijan's Greater Caucasus Mountain Range, generating ecosystem benefits such as: increased carbon storage and sequestration, improved water provision downslope, and improved soil and land quality.

The project executing agency/implementing partner is Azerbaijan's Ministry of Ecology and Natural Resources (MoENR). The project document was signed by the Government early 2013. The original project closing date was December 2017. The project is considered by many stakeholders to be both complex and ambitious in its coverage of forests, pastures, related policies, PES and carbon storage/sequestration.

All of the project's field work and pilot initiatives were focused on the two Greater Caucasus rayons (districts) of Ismayilli and Shamakhi. Located in Azerbaijan's North Caucasus Mountain Range, these two rayons are among the nation's total of 60 rayons.

The mid-term review (MTR) for the SLFM Project was conducted in December 2015.

This report presents the findings, analysis, and conclusions of the Terminal Evaluation which took place from 17 to 23 in Azerbaijan, following a home based study of relevant Project documentation.

This document starts with an Executive Summary. Section 1 provides information on the purpose and the methodology of the TE. Section 2 provides information on the project's background, design and logical framework components.

It also provides relevant background on Azerbaijan's pastures and forests, particularly in the project rayons, as well as the Project Stakeholders.

Section 3 reviews overall findings on project achievements, innovativeness, and relevance, etc. Section 4 provides the conclusions and recommendations of the TE Mission

2.2. Problems that the project sought to address

The table below (which illustrated the project document, formulated in 2011) gives an overview of the pasture areas (winter pastures and summer pastures) as well as the estimated stocking rates in 1951, 1982 and 2008.

Year	Winter pastures (million ha)	Summer pastures (million ha)	Number of sheep (million)	Stocking rate sheep equivalents/ha
1951	1.436	0.406	1.93	1.1
1982	1.395	0.26	2.88	1.7 – degradation started
2008	1.345	0.062	8.2	5.8 (3x 1982 & 5x 1951 levels)
Estimated real number		12		8.4 (5x 1982 & 8x 1951 levels)

Grazing pressure on Azerbaijan’s Pasturelands (from Project Document)

To address the effects of the rising stocking rates on the pastures the following barriers were identified by the formulation mission:

- An inadequate legal, regulatory and institutional framework for sustainable forest and pasture management;
- Minimal experience among key government and civil society stakeholders in developing and implementing SL&FM practices on the ground;
- Lack of robust (but practical) monitoring protocols and practices for carbon flows and the absence of tailored methodological approaches for carbon stock field assessment.

2.3. Project Design and Strategy

The project document states as Project Objective : “Sustainable land and forest management in the Greater Caucasus Landscape secures the flow of multiple ecosystem services, including carbon storage and sequestration and water provisioning services, while ensuring ecosystem resilience to climate change.”

The project is expected to engineer a paradigm shift from pre-project unsustainable practices to sustainable management practices.

The project has three outcomes:

Outcome 1, the “policy and institutional” outcome, as designed has three main areas of work. First, it calls for the design of policy amendments and standards. Second, it calls for capacity building of policy makers, technical staff, and local pastoralists. Third, it calls for improvement of access to information via: a website, pasture and forest user associations, and innovative mobile communications tools.

Outcome 2, the “forest and pasture recovery” outcome, as designed, has four main areas of work. First, it calls for the establishment of local cooperation mechanisms of rayon multi-stakeholder committees and pasture and forest user associations. Second, it calls for the design and use of pasture and forest management plans in two rayons. It incorporates the preparation of maps to achieve this. Third, it calls for improved land use in pilot communities via 12,500 ha of improved pastures and 20,000 ha of improved forestland. Pasture monitoring and implementation of prescribed grazing practices is indicated to

achieve the improved pastureland. Fourth it calls for a “payment for ecosystem services” (or subsidy) pilot to improve pasture quality.

Outcome 3, the “carbon” outcome, includes three main areas of work. First, it calls for the development of a plan to reduce emissions from deforestation and land degradation, with the potential creation of value for the carbon stored. Second, it calls for developing methods for monitoring carbon stocks and flows in forests and field work to implement the methodology. Third, it calls for pilot restoration of 5,000 ha of forest and 9,000 ha of pastures. The forest restoration calls for afforestation on three different types of land, with measurement of increased carbon stock. The pasture restoration work calls for pasture inventory taking, rehabilitation of pasture, and improved management of pasture.

The MTR Mission rightfully noted that in terms of the improved management, this pasture item overlaps with the third output of outcome 2, which calls for 12,500 ha of improved pastures through improved management.

Annex 4 shows the complete logical framework of the project including activities, indicators and achievements.

2.4. Main stakeholders

The MoENR, is the project execution entity, the implementation partner and the main beneficiary of the Project.

The MoENR’s responsibility covers environmental natural resources, including forests and pastures, and environmental protection.

The MoA’s responsibility, in contrast, deals with animal husbandry, which is more economic in nature.

The pasture, which is state-owned land, is rented out to local pastoralists by the local executive authority (rayon government). The structure of the rayon governments consists of the head of the rayon, under which there are a number of deputies.

It thus appears that there may be some potentially conflicting responsibilities when it comes to pasture management.

Forests have a more unified government oversight structure than pastures, with the main responsibility being the Department of Forest Development of MoENR. MoENR regulates its “forest fund” land via the “forest enterprise” at the rayon level. (The “forest enterprises” are also known as “forest rehabilitation and protection agencies.”). National parks, which are also under MoENR, are managed by a separate entity.

At the time of the Mission, The Center for Analyses of Economic Reforms and Communication was in the process of studying the possible redistribution of mandates/jurisdiction among the two lead ministries (MoNR and MoA) dealing with on the one had pasture management and on the other hand animal husbandry. The new set up is likely to resolve a great deal of the current land use ambiguities in the Country.

3. Findings of the Mission

3.1. The project Logical framework/project design

As stated earlier it took some time before the Council of Ministers endorsed the project proposal. The main concern raised by the Cabinet of Ministers was that the project had too many different sectors involved.

Several months were added between the time the project document was signed by the government and the inception workshop, in July 2013. Finally, reports indicate that almost a year after inception passed before the project really took off.

The mission wishes to make the following comments with regard to the delayed project start-up.

The project is expected to deal *inter alia* with the following tasks/domains:

- The assessment of the range resources, the analyses of the trends, and the identification of possible management issues that need to be addressed;
- The assessment of the forest resources, the analyses of the trends, and the identification of possible management issues that need to be addressed;
- Taking into account the above results, assessment of existing legal frameworks and updating the legal provisions pertaining to the management of rangelands and forest land;
- Submit the relevant legal frameworks to the Council of Ministers for endorsement;
- The preparation of management plans of the above resources;
- Undertaking institutional analyses and identifying needed adjustments;
- Ratify the proposed changes and implement them;
- The payment of ecosystem services;
- The assessment of carbon sequestration, replace earlier methods;
- The creation of forest and pasture user groups;

To carry out such a huge and divers programme in a 5 year period would be extremely difficult, in the view of the Mission.

While some of the above components may be relatively easy to work out (e.g. forest and grassland assessments,); the review, redrafting of new legislation and its endorsement, the study of the trends, yet, the endorsement of legal and institutional changes is likely to take more time.

In the view of the Consultant, and generally speaking, many projects have prepared new laws, that were never endorsed, let alone applied. This is often due to the fact that the revisions were not based on the necessary analyses and justifications.

The same problem exists with the institutional arrangements. These arrangements, from the information that was gathered by the Mission, is far from being completed and at the time of the Mission, new negotiations were underway by the GoA, to update and reorganise the institutional responsibilities pertaining to natural resources. See chapter 5.

Furthermore the Mission feels that the chronological sequence of the implementation of the outcomes in the "logical" framework could have been more logical, as outlined below:

Part 1

- definition of methodologies for the assessment of the resources and identification of the national institution that is most suited for using the methodologies;
- carry out inventories of the land and forest resources with the methodologies identified above as required in the logical framework while strengthening the capacity of the relevant institution(s), and in doing so, enhance sustainability;
- preparation of the management plans by the relevant institution(s) (responsible for pasture management and for forest management) and their strengthening to ensure sustainability of this activity;

Part 2

- analyses, with the relevant institution, of the existing legislation and its adaptation where needed, taking into account the above planning tools;
- institutional analyses/assessments, identification of weaknesses and introduction of adjustments where needed, taking into account the findings under Part1;
- roll out a programme of permanent sites in pastures and forests for their continuous assessment and monitoring;
- design, with the relevant institutions, PES and C storage/ sequestration related activities where necessary in order to ensure sustainability..

Please note that the above suggestions are made, bearing in mind that at the time of the TE Mission, the GoA was undertaking steps to review the current institutional responsibilities and mandates, and in view of these negotiations, the Mission felt that it may be useful to propose a strategy different from the Project's strategy/chronology.

It is noted that the MTR made similar remarks and went as far as suggesting the reformulation of the project 's logical framework. This however would have required re-approval of the Project and was therefore not carried out.

3.2. The Project Management Team

The Project has a National Director who is the head of Administration of the MoENR.

The Project Management Unit had a relatively large team. It includes the project manager and a team leader for each component: policy, forests, pastures, and carbon components, based in offices of the MoENR.

The large team reflects the multitude of fields and outputs that are expected out of the project. Besides the technical team members, the Project also had an administrative and a finance assistant.

Two part-time field directors were based in Ismayilli and Shamakhi, respectively.

3.3. Project Inception and Project Inception Report.

Details of the timeliness and the pace of the Project from start to mid term were clearly and thoroughly analysed in the MTR Report. The MTR also reported that the Project did not shift into full gear until mid 2014.

While some project delays may be beyond project control, (which may well be the case here), in the view of the TE, a crucial weakness in the entire project cycle was the absence of a well structured, goal oriented and moderated inception workshop, which should have brought together all project stakeholders in order to define and agree on the responsibilities of each of them, prepare a clear roadmap for the project, and laying down the decision in a clear inception memorandum/report. For a project with a multitude of outputs and stakeholders, the absence of such report often leads to complications during project implementation.

It is possible that the lack of buy-in by some stakeholders, as reported in the MTR, the absence of a proper project inception, and the absence of a properly structured Project Board, were related, possibly originated by the nature and content of the Project Document, and an inadequate involvement/consultation of the relevant Government Agencies at the time of the project formulation.

3.4. Project Executive group- Project Board and Project Steering Committee

The Project Board is the executive body of the Project at the highest level, that provides guidance on progress and work programmes. Donors in similar fields can be invited to board meetings in order to foster coordination. It appears that the Project did not have a proper Project Board as clearly outlined in the Project Document. Also, and curiously the reports that were issued after the meetings were all entitled “Steering Committee Report”. The project formulator probably opted for a project board modality in order to encourage participation and engagements at the highest possible levels.

3.5. Stakeholder engagement

The MTR pointed on a number of occasions to the “lack of buy-in” of the main stakeholders (MoNR and MoA) in the Project. While this situation may have prevailed throughout the Project’s lifespan, at the time of the Mission and following discussions with key national agencies the Consultant had the clear impression that the Government was definitely highly interested in and committed to resolving the key issues surrounding sound and sustainable natural resources management, including pasture and forest management and *inter alia* adjusting the relevant legal and institutional aspects.

If some government institutions may sometimes have shown a lack of interest in some of the project activities, referred to in the MTE as “lack of buy-in”, this may go back to the time of the project formulation and to the fact that these government institutions may have been insufficiently consulted/involved in the formulation of the key issues of the Project, and/or had some reservation about some of the proposed approaches/justifications, as also indicated under 3.3. above.

This could possibly have been resolved if a well structured, targeted and moderated project inception had taken place, in order to draft a clear, well defined and structured roadmap, endorsed by all parties, and taking every one “on board”. (see 3.3)

3.6. Reporting and communications

The necessary Project Implementation Reports and Steering Committee Reports were as required.

The project also produced an e-bulletin for dissemination among the partners and stakeholders and also produced 3 success stories to better contribute to sustainable use of natural resources in Greater Caucasus Landscape.

The Project had regular meetings with the Center for Analyses of Economic Reforms and Communication to discuss *inter alia* the progress on the implementation of the Strategic Road Map for Agriculture.

3.7. Project Results and Impact

Given the limited time the TE mission was given (6 days in country), and the thematic diversity of the project activities: rangelands assessment and management, forest assessment and management, PES, carbon sequestration, alternative livelihoods, institutional and legal aspects it was impossible to verify all the achievements *in situ*. While the site visits were very useful, the Mission relied also on verbal reports and in particular on the last PIR report to assess the achievements of the project.

A matrix with the Project outcomes as well as all achievements is attached to this report under Annex 5.

Generally speaking, and despite its relatively slow start up, the Project has produced valuable achievements in all three outcomes.

While the prepared legal updates may not be approved by the Council of Ministries by the end of the Project, there is no doubt that these proposals will be very useful ingredients into the on going institutional reorganisation efforts that were on going at the time of the Mission under the leadership of the Centre for Analyses of Economic Reforms and Communication and that will likely go on beyond the lifespan of the SLFM Project.

Given the huge programme the Project was put to, the Mission firmly believes that the biggest achievement of the Project (Impact) is the setting in motion, (almost on its own in the beginning), of a national awareness on the need to adjust the entire sector of national resources management, including range resources management, animal husbandry, rural economy, forest resources management, connecting the rural economy to the national economy en invigorating the rural natural and economic landscapes in the Country.

3.8. Impact and Sustainability

By project sustainability is meant the fact that the activities that were started during the Project (assessments, inventories, improvements etc) will be carried on after closure of the Project.

Based on the study of the various reports (PIR, MTR etc.), it is clear that the project started in a somewhat uneasy manner. The lack of buy-in and the uneasy start up were probably related, and continued, be it may be to a lesser extent, during the latter half of the Project.

In addition, but possibly related, a high number of activities were outsourced to national and international consulting companies/consultants. Such practices may harm the necessary

ownership of the project by the national stakeholders, learning by doing, on the job training, on the job capacity building, and not the least sustainability of the Project. This may also be related to possible lack of buy in and thorough involvement of the national stakeholders in the project preparation and its programme design.

As far as the pilots are concerned their replication/expansion appears relatively simple and chances for sustainability are good. For policy matters, the draft legislation prepared by the Project will need approval first, subsequently the application and enforcement should be ensured. The Mission believes that, as mentioned under 3.8. the redrafted legislation carried out under Outcome 1 will be a very useful ingredient into the efforts currently undertaken by the Center for Analyses of Economic Reforms and Communication. A better integration of the Project into the relevant national institutions would have enhanced the sustainability of the programme activities.

To end this paragraph on a good note: based on the multiple discussions and other exchanges, the Mission firmly believes that the Government of Azerbaijan is highly interested and committed to the sound and sustainable management of its natural resources. There is no doubt that the impact of the Project has contributed to this enhanced awareness.

3.9. Project Management and Cost Effectiveness

During the first half of the Project, project management expenditures were sited in the MTE Report as above the recommended 5%. During the second half of the project these expenditures appear to have been kept under better control.

Details of the timeliness and the pace of the project from start to mid term were clearly analysed in the MTR Report, and included that the Project did not shift into full gear until mid 2014.

This may also be related to the long delay before the signing of the Project Document which may be an indication of attitude/receptivity towards the project.

Yet a more crucial weakness in the entire project cycle was the absence of a well structured, goal oriented and moderated inception workshop, which should have brought together all project stakeholders in order to define and agree on the responsibilities of each of them, and prepare a clear roadmap of the project, and laying down the decision in a clear inception report. For a project with a multitude of outputs and stakeholders, the absence of such report almost inevitably leads to complications during project implementation.

While the services of consultants is often needed during project implementation, the high number of contracts of consultants providing inputs and services to this project (some 53 companies, 44 individual national and 9 international consultants (excluding MTR and TE) at the time of the Mission, lower the cost effectiveness of the Project given the high cost of these services. This however is possibly related to the volume of work to be accomplished and the available time.

A more durable option is an enhanced involvement of the national institutions/staff, learning while doing, on the job training, while strengthening the technical capacities of these institutions.

4. Conclusions and Recommendations

4.1. Conclusions

General remarks: The Rangeland sector

- Transforming the traditional way of rangeland use, be it by nomadic, transhumant or even sedentary users, is not an easy task, given the often strong cultural and traditional meaning of this livelihood.
- When stocking rates go up the way they are reported in the Project Document (see 2.2.), one has to wonder “why are stocking rates going up”. Also: are these figures up to date? – and why not undertaking a new census/registration?
- The same applies to the condition of the rangelands: they have to be assessed and monitored in order to find causes of possible changes, whether by use, weather conditions or other factors.
- There is no doubt that there are spots, often closer to watering points, or where herds are converging in times of fodder shortage, that suffer from overgrazing. But in the eyes of the consultant, at least for the places visited, the situation may not be as alarming as it is sometimes reported.
- Time has probably come to gradually transform/replace the traditional model of animal husbandry by a more modern model that is ecologically sound AND economically more viable and where the sector is an integral and growing part of the national economy.
- The anticipated goals of the Center for Analyses of Economic Reforms and Communication are, in the view of the consultant, sound and highly justified. The consultant firmly believes that *inter alia* the inventory of the pastures and the animal resources, a stepped up pasture management and animal husbandry in a more economic manner are definitely part of the right way forward.

General remarks: The Forestry Sector

- Forestry is a very different sector. Historically the forests in the Country have been well managed/preserved. A fairly general satellite imagery overview of the Country, as well as some literature, created the impression that the Azeri forests were rather well preserved. While the Mission did not have the opportunity to visit many forests in the Country during the site visits, the consultant did not see any sign of overgrazing, overcutting, erosion (other than natural) etc.; without therefore saying that such spots exist nowhere....
- The consultant felt these views deserved to be mentioned in this Report.
- As the project has demonstrated, forest based rural economies (bee keeping, fruits, medicinal plants etc.) can no doubt be further developed and bring them beyond subsistence activities.

The Project

- What is referred to in the MTE Report as “lack of buy-in” by key agencies is, may be caused, in the view of the consultant, by inadequate consultation/participation and involvement of these agencies in the project preparation and formulation. Lack of ownership (which is a consequence) often triggers lack of engagement and commitment.
- The TE Mission also noticed that the Project, it seemed in retrospect, was not genuinely embedded in the relevant government agencies. This inevitably leads to a lack of ownership of the activities and programmes, and reduces continuity and sustainability . One has to take into account however that the time needed for fully strengthening the national agencies to carry out some of these assignments, may take far more time than simply outsourcing the activity (e.g. assessment natural resources).
- The workload for this single phase project is enormous, workload wise, subject matter wise, and not the least institutionally.
- Challenges are increased due to the fact that several topics are relatively new for the administrations (C sequestration {new approach}), user’s associations, PES);
- Nevertheless the team produced excellent outputs that contributed to the achievement of the project goal, and to the governments plan to pursue it efforts to undertake legal and institutional measures to ensure sustainable resources management;
- Some of the components included in the logframe (farmers associations, new approaches carbon sequestration work) may have led to a certain lack of buy-in the MTR mission referred to. These new approached however will require more time in order for the administration to become more familiar with and to fully engage in their introduction/adoption and support.
- When dealing with a project that covers a legal and institutional diversity; activities ranging from resources assessment and management, animal husbandry, forest assessment and management, rural development, legal and institutional aspects the organisation of well structured inception activities, are absolutely key to a successful project implementation. Such inception activities/workshop may take days or if necessary weeks, but is crucial to the definition of a comprehensive roadmap for the project. The Inception “workshop” that appeared to be just a launching ceremony, did not have the normal ingredients of such “implementation negotiation phase”, neither did the report.
- The Mission firmly believes that the SLFM Project has provided the GoA with very good information that will, no doubt, be beneficial in its pursuit to improve the legal and institutional frameworks governing pasture and forest management.

The Sector

- An array of projects has been carried out in the sector, funded by bilateral, multilateral and international organisations. In the view of the Mission there could have been better long term planning and programming of these aid programmes in order to benefit from their synergy, and to make the entire aid programme more coherent. New activities dealing with the sector continued to be defined at the time of the Mission.
- Better coordination, at the time of the formulation of the various activities (EU, GIZ, WWF/EU, FSC, etc.) could have contributed to a better division of the workload, and enhanced effectiveness and efficiency.
- A range of projects have been going on since identification of the project, some have been completed and some are still going on. Therefore some overlapping is occurring (resources management, C sequestration);
- The GoA, in the view of the Mission, is undertaking some remarkable efforts to cope with on going social, institutional and economic changes, and it appears that in the near future new measures will be taken affecting the social, economic and ecological environments the project is operating in. These changes are needed and clearly show the remarkable concern of the government not only for a better and more sustainable management of the natural resources, for the livelihood of the people deriving their livelihood from these resources, and for the national economy.
- while new projects are in the making, there is no doubt that the SLFM project has made a good contribution to the overall social development of the relevant communities and to safeguarding the natural resources they derive their livelihoods from;
- some of the components included in the logframe (farmers associations, PES, carbon sequestration work) may have led to a certain lack of buy-in the MTE mission referred to. These new approaches however will require more time in order for the administration to become familiar with and their readiness to fully engage in their implementation

4.2. Recommendations

General Recommendations

- It is important that all project stakeholders are fully on board and committed to the objectives of the project;
- In order to foster the above, the activities during the inception phase of the project are crucially important; in particular for multi stakeholder projects, the definition of the responsibilities of all partners as well as the preparation of the project road map are extremely important and crucial;

- In a multi stakeholder environment, a well structured project board also has a crucial role, and can resolve stakeholders' differences in approach;
- Ownership of a project is equally crucial, lack of ownership often leads towards unsustainability;
- big PMU's often considerably reduce project ownership by the national stakeholders. They often reduce efficiency, sustainability, effectiveness and capacity building.

Project Specific

- While the goal of the project is very well justified, the nature and scope of the outcomes of the project was somehow ambitious. First, changing legislation is a process that takes time, persuasion, political will, consultation with the institutional stakeholders at central and regional level, and not the least the rural population in the areas concerned.
- A project of this nature could have better designed and phased in 2 stages as follows:

Phase A. Assess the natural resources in the regions concerned as well as the possible trends, and the causes of the trends; 2-3 years/ while undertaking these inventories and study of trends, the relevant institution(s) (mapping unit, cadastre...) are gradually set up/adjusted/strengthened; In doing so the problems related to the natural resources should be clearly described, as well as their causes.

Phase B. taking into account the outputs of the above, study and review the relevant legal and institutional adjustments that are required in order to address the problems/issues related to the use of the natural resources that were identified.; (land and water), and carry out the necessary amendments (3-4) years.

While the total duration of the 2 project components may be slightly longer than the duration of the SLFP, the chances of a sustainable management improvement would be far greater.

- Management of natural resources needs constant assessment and monitoring in order to track the effects of the management practices. Therefore it is important that the institution dealing with pasture management includes an inventory and monitoring unit. Such unit can be set up in cooperation with an academic institution in order to allow students (agriculture, forestry, pasture management) to acquire the necessary exposure, sensitisation and skills.

Annexes to the Report

Annex 1: Project framework

Annex 2: TE details achievements

Annex 3: TE mission programme

Annex 4: List of documents reviewed Programme TE mission

Annex 5: People interviewed

Annex 6: Rating table

Annex 1: Project framework

PROJECT RESULTS FRAMEWORK: This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:

CPD Outcome 1.3. Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change

Country Programme Outcome Indicators: 1) Carbon intensity of economy (green house gas emissions per unit of output); 2) Percentage of total country area covered by Protected Area network

Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): 2. Catalyzing environmental finance

Applicable GEF Strategic Objective and Program: SFM-REDD-1 SFM-REDD-2 LD-3 CCM-5

Applicable GEF Expected Outcomes:

SFM-REDD-1:

- **Outcome 1.1: Enhanced enabling environment within the forest sector and across sectors.**
- Outcome 1.2 Good management practices applied in existing forests.

SFM-REDD-2

- **Outcome 2.1: Enhanced capacity to account for GHG emission reduction and increase in Carbon stocks**

LD-3

- **Outcome 3.1: Enhanced, cross-sectoral enabling environment for integrated landscape scale management**
- **Outcome 3.2: Integrated landscape management practices adopted by local communities.**

CCM-5

- **Outcome 5.1: Good management practices in LULUCF adopted in the forest land and in the wider landscape.**
- **Outcome 5.2: Restoration and enhancement of Carbon stocks in forest and non-forest lands.**

Applicable GEF Outcome Indicators:

SFM-REDD-1:

Outcome 1.1 Indicator: *Effectiveness of policy, legal and regulatory frameworks that integrate SFM principles (score as recorded by tracking tool).*

Outcome 1.2 Indicator: *Enhanced carbon sinks from reduced forest degradation.*

SFM-REDD-2

- **Outcome 2.1 Indicator:** *National institutions certifying carbon credits.*

LD-3

- **Outcome 3.1 Indicator:** *Demonstration results strengthening enabling environment between sectors (incl. agriculture, forestry)*
- **Outcome 3.2 Indicator:** *Area under effective land use management with vegetative cover maintained or increased*

Outcome 5.1 Indicator: *Number of countries adopting good management practices in LULUCF*

Outcome 5.2 Indicator: Hectares restored

Annex 2: details achievements (extract from PIR 2018)

Project Ratings and Achievement Summary Table as stated in PIR 2018

Item	Rating	Achievement Description
Progress Towards Results and Relevance		
Overall/ Objective: Increasing forest and pasture cover in Greater Caucasus in Azerbaijan via sustainable land and forest management	MS R	<p>Preliminary indications suggest that the overall project target of 20,000 ha of forest and 12,500 ha of pastures under a significantly improved and more sustainable management regime remains partially achievable. Based on MTR review the planned indicators within the project were changed accordingly: 20.000 ha of forest and 9500 ha of pasture lands due to the strategic changes in the governmental policy, 25.000 ha of the winter pastures lands changed with the land use status and implementation of the project in Shamakhi winter pastures seemed to be not achievable. To compensate the figures indicated in the Prodoc the project intervened into the forest protection and management activities according to the MTR the indicator was changed from 12500 ha to the 9500 of pasture lands in Ismayilli project region. The project developed the farm based pasture management plans for 23 farmers (7 farmer groups), integrated pasture and forest rayon based management plans and continually supported their implementation through the technical, financial and extension services and provided the tools for the future project interventions to achieve the project objective and meeting the project target for this objective. Due to accessibility and dangerous relief location of pastures in very high mountain areas only 9105 ha were intervened by the project. To compensate the lost of the pasture areas project added pastures located within the forest fund located in Ismayilli region The collective contribution of the three outcomes in realizing the project objective is briefly described below.</p> <p>-By-laws and regulations for sustainable forest and pasture management in Azerbaijan prepared. Around 30 normative acts were developed by the project and submitted to the Department of Law of the Ministry of Ecology and Natural Resources for further steps of approval. As an approval process it takes a long time and bureaucratic process and beyond the direct influence of the project, the PMU decided to present the developed documents to the center of Economic Reform and Communication established by the president of Azerbaijan Republic and responsible to develop the strategic Road Map for the sectors of Economy. More than half of the proposed changes accepted and reflected in the Strategic Road Map.</p> <p>- Due to constantly evolving government policy and the enabling legislation, there is not yet a consensus on the legal form that these cooperative governance structures should take. Therefore, the project established farmer unions comprising pasture users in the regions, representatives of the local executive authorities and RepRes of the Ministry of Agriculture and municipalities. There is difficulty with official registration of public unions and all kind of associations and NGOs. In addition, status of 25000 ha winter pastures has been changed to arable lands in Shemakha. Therefore, the project management unit decided to stop supporting PUAs and instead of it farmer unions were established.</p>
Outcome 1: Policy	MS R	
Outcome 2		

Outcome 2A -
Forests: Maps,
Inventory, and
Management
Plans

MS
R

- Standardized methodologies for pasture and forest inventory were developed and approved
 - The Project directly impacted and improved capacities of regional authorities in the two pilot districts through comprehensive inventories of forest and pasture lands, development and implementation of management plans and targeted capacity building trainings on planning and management.
 - In the project target areas, the project completed forest inventories using GIS technologies for all forests covering 39,342 ha: 31,147 ha of forest lands in the Ismayilli rayon and 8,195 ha - in the Shamakhi rayons.
 - 20,000 ha of forestlands under SFM
 - With the Project's direct support two Integrated Forest Management Plans were developed and are being implemented covering ~20,000 ha of forests under the management of the rayon-based Forest Protection and Reforestation units in the Ismayilli and Shamakhi rayons.
 - Inventory of forests on state forest land in Shamakhi and Ismayilli rayons
 - Development of forest management plans in Ismayilli and Shamakhi rayons
 - Forests: 483,800 ha under improved management
 - 20,000 ha under improved multifunctional forest management. EoP has been achieved.
 - Forest inventory completed with the forest survey using the GIS technologies. The project developed the forest inventory methodology using the Corine system and best international practices.
 - Implementation of forest management plans being directly supported (technical, financial and equipment) in ~20,000 ha of forests in Ismayilli and Shamakhi rayons (extended to 25,000 ha of forests in 2017 and 2018
- Incentives framework for sustainable pasture use developed.
- Rayon based management plans were prepared for Shemakha and Ismayilli regions. Farm based management plans were developed in Ismayilli region.

Outcome 2A –
Pastures:
Maps,
Inventory, and
Management
Plans

MS
R

- To support the implementation of sustainable pasture and forest management plans the project provided farmers and stakeholders with the equipment (grass shredding machines, milking machines, bee hives and other bee products production to reduce the pressure on pasture and forest through the supporting of alternative sources of income) and facilities to stimulate the implementation of above mentioned plans. In order to utilization of the agriculture equipment provided by the project, the agreements were signed among new created farmer groups.
- Pasture inventories and pasture management plans completed for 5,827 ha of summer, and 3,278 ha of winter pastures in the Ismayilli rayon
- Implementation of 23 farm-based Pasture Management Plans that were directly supported by the Project is underway covering 9,105 ha of summer and winter pastures in Ismayilli rayon. The farmers were provided with grass shredding and milking machines, and other equipment as an incentive to follow the farm-based pasture management plans recommended by the Project to reduce the pressure on winter and summer pastures.
- Pasture inventories, farm-based pasture management plans and implementation support of the project extended to an additional 1,181 ha of summer pastures in the Ismayilli rayon this reporting period adding up to 9,105 ha of pastures total by project end. As noted before, during the MTR the EoP for improved pastures was decreased to 9,500 ha. The project nearly reached the EoP target Authority of the target rayon decided to run project SLM related activities at 23 pilot farms of total

areas of 9,105 ha- hence the difference in the coverage of pasture pilot areas. The project will compensate the 'missing hectares' by implementing management plans at additional 10.000 ha of forest lands.

- the Project supported pasture users from the Ismayili rayon by providing extension and veterinary services. In regard to the latter, the project developed a schedule for veterinary services and ensured that veterinary services include vaccination (not part of the governmental programme though), which is important for maintaining good health conditions of livestock, especially at winter pastures of the target region. The project arranged regular monitoring of quality of extension and veterinary services with participation of local staff members of the Ministry of Agriculture

- Completed pasture inventories cover 9,105 ha.

-Forest Protection and Reforestation units, and forest users provided with training and skills development in sustainable management and use of forest products. The project also conducted public awareness activities to support the sustainable use of forest resources, protection of the forest and also sustainable collection of plants in the forest areas based on ISSCMAP.

-The following data on mean values of bonitet classes of forests was received from the Forestry Department of the MENR for the target regions:

Ismayilli rayon :

Beech/Fagus: 2.95

Oak/Quercus: 3.57

Hornbeam/Carpinus: 3.2

Shamakhi rayon :

Beech/Fagus: 2.8

Oak/Quercus: 3.8

Hornbeam/Carpinus: 3.4

- Assuming that the Bonitet class is a good proxy for improved volume and/or density of forests (i.e. lower bonitet classes for key forest tree species = more productive forests), and that forest volume and density adequately reflects above-ground carbon sequestration potential, then this data represents satisfactory increase (i.e. approximately 7-8% average increase on the baseline) in the productivity of the forests in the two regions.

Outcome 2B –
Forests:
Afforestation

MS
R

Outcome 2B –

Pastures:
Pasture
planting

MS
R

-Pastures: 591,100 ha under improved management
-Establishment of small farm unions in Ismayilli

-The Project Board decided to stop supporting Rayon Multi Stakeholder Committees and Forest and Pasture User Associations due to the observed inefficiency of this mechanism that resulted from unclear distribution of responsibilities by the local government. Instead, a more effective mechanism consisting of small farmer groups and involving local forest departments of the MENR was proposed and approved by the PB. As such, the forest department of the MENR is the only government organization now responsible for proper management of the forest resources in the regions.

Outcome 2C –

Forests:
People
oriented
activities
increasing
afforestation or
lessening
pressure on
forests

MS
R

- Inventory of forests on state forest land in Shamakhi and Ismayilli rayons
- Development of forest management plans in Ismayilli and Shamakhi rayons
- Support to the Forest Protection and Reforestation units and rural forest users application of the management measures and in the development of livelihood opportunities (as identified in the Forest Management Plans provided in 2017 and 2018 years as an alternative sources of income and provided through the ASAN ABAD (the needs of forest and pasture users assessed, and they provided with equipment, trainings, supported with receiving needed certificates, bank accounts and produced handicrafts are delivered to the local shops in Baku and other regions of Azerbaijan). The system sustained with the help of the state programme "ABAD". The forest and pasture users are provided with direct access to the local markets to sell the products, which is contributing to reducing of pressure on forest and pasture lands of the Greater Caucasus landscape related to carbon-neutral activities at the local level, focusing on alternative sources of income and ecosystem based mitigation in the LULUCF sector, with engagement of communities, farmers and other land users which will contribute to Outputs and Objectives of the project as approved by GEF

-The likelihood of the project achieving the four EOP targets for outcome 2 (i.e. reduction in emissions in forests and pastures and improved management of forests and pastures in the 2 pilot Rayons) is high, assuming that there is a direct correlation between improved management and reduction in emissions.

-Training of forestry staff in carbon monitoring, forest restoration and rehabilitation and sustainable use of forest natural resources

-256,666 tCO₂e avoided emissions (using IPCC 2006 Guidelines default values and coefficients) EoP target was achieved.

- Field measurements were taken from a representative sample of forest plots in the the Ismayilli and Shamakhi rayons. Data from the field measurements and remote sensing analysis was used to extrapolate a baseline carbon storage in the forests (total area of 39,342 ha, of which 31,147 ha in Ismayilli rayon and 8,195 ha in Shemakhi rayon);

-Follow-up field measurements for the forest plots was undertaken, and carbon stores extrapolated, again in

This activity lead to:

- 86,423.3 tCO₂e (5,000 ha of pastured rehabilitated)
- 21,740 tCO₂e (4,500 ha of forest rehabilitated, including afforestation/reforestation)
- The restoration measures on remaining 4,000 hectares continues and will be finalized by the end of Project.

Outcome 3-
Carbon pool
reporting

MS
R

-Conservation and enhancement of carbon in non-forest lands, including peat land: 2500 ha + 9,105 ha. EoP target was almost achieved in improved pasture management. Improved SLM practices will be conducted until the end of project.

This included:

- Fencing degraded areas and steep slopes to prevent access by livestock, and allow for natural recovery;
- Sowing degraded areas with locally collected seeds (i.e. esparcet, oats clover, etc.);
- Contouring, layering and/or filling eroded soils with locally collected brush to allow for natural recovery;
- Application of supplementary fertilizers;
- Planting of shrub saplings in degraded areas; and
- Implementation of financial, and other (technical, equipment, support services), incentives for pastoralists to reduce livestock numbers on degraded pastures through the providing of veterinary services, equipment and alternative sources of income such as beekeeping, carpet sewing handicrafts production and support for the open market sources.

-Conservation and enhancement of carbon in non-forest lands, including peat land: 2500 ha + 9,105 ha. EoP target was almost achieved in improved pasture management. Improved SLM practices will be conducted until the end of project.

Activities included included:

- Fencing degraded areas and steep slopes to prevent access by livestock, and allow for natural recovery;
- Sowing degraded areas with locally collected seeds (i.e. esparcet, oats clover, etc.);
- Contouring, layering and/or filling eroded soils with locally collected brush to

allow for natural recovery;
 - Application of supplementary fertilizers;
 - Planting of shrub saplings in degraded areas; and
 - Implementation of financial, and other (technical, equipment, support services), incentives for pastoralists to reduce livestock numbers on degraded pastures through the providing of veterinary services, equipment and alternative sources of income such as beekeeping, carpet sewing handicrafts production and support for the open market sources. The project supported farmers through the ABAD Programme and access to big supermarkets

-Avoided deforestation and forest Degradation: 20,000 ha. Attainment of the EoP target is noted for this indicator. This included:

- Fencing forests of high conservation value to prevent livestock grazing
- Minor engineering works (e.g. gabions) to rehabilitate eroded forest areas;
- Improved enforcement to prevent illegal, destructive activities; and
- Strengthening fire response capabilities.

-Lifetime direct GHG emission avoided:

Pastures: 133,448 tons CO₂eq

Forests: 256,666 tons CO₂eq

Implementation and AM MS

The Project took some time before reaching cruising altitude. That was in part due to some shortcomings when holding the inception activities. After the MTR, the project caught up, and despite the diversity of fields the Project had to address, the Project made good recovery and increased its achievements considerably.

Sustainability ML

The sustainability is relatively low given the fact that the Project had to work in so many sectors at the same time, and that the chronology (sequence) of the different activities lacked some logic (first one does a assessment of the land use problems and adjust the legal and institutional problems subsequently...)

S Satisfactory

MS Moderately satisfactory

MU Moderately unsatisfactory

R Relevant

Annex 3: Programme of the TE Mission

Agenda for mission of terminal evaluation

Sustainable Land and Forest Management in the Greater Caucasus Landscape Project

International expert name: Charles Vanpraet

16-21 October 2018

Agenda

DAY 1: 16 October 2018	
22:00	• Arrival to Baku
DAY 2: 17 October 2018	
10:00-11:50	• Meeting with Eltekin Omarov and Zaur Aliyev
12:00-13:00	• Meeting with Chingiz Mammadov, Senior Programme Adviser
13:30-14:30	• Lunch break
15:00-16:00	• Meeting with Elmeddin Namazov, Agriculture expert
16:15-17:15	• Meeting with Emin Garabaghli, Head of International Relations Department, Ministry of Ecology and Natural Resources
17:30-18:30	• Meeting with Bariz Mehdiyev, Team Leader on Land component (outcome 2), SLFM project
DAY 3: 18 October, 2018	
10:00-11:00	• Meeting with ABAD Public Legal Entity
11:30-13:00	• Meeting with Zaur Aliyev
13:00-14:00	• Lunch Break
14:00-14:45	• Meeting with Etekin Omarov
15:00-16:00	• Meeting with Issa Aliyev, former UNFCCC focal point
16:30-18:00	• Meeting with Rasib Zeynalov, expert of pasture institute
DAY 4: 19 October 2018	
09:00	• Departure to Ismayilli region
12:00-13:00	• Meeting with Echin Salahov, head of forest department of Ismayilli and Shemakha
13:00-14:00	• Lunch Break
14:00-15:30	• Meeting with local farmers
15:30-16:00	• Meeting with AIM "Agro service" (this company has implemented and monitored pasture management plans of the leaseholders in summer and winter pastures within SLFM project)
16:00-17:15	• Meeting with Mahmud Suleymanov, deputy of head of Executive power of Ismayilli
17:30-18:30	• Visit to reforestation areas and forests protected by the project
DAY 5: 20 October 2018	
09:00-13:00	• Field trip to Qalaciq Village/natural forest areas and Sahdag National Park, meeting with local people
13:00-14:00	• Lunch Break
14:10-14:45	• Visit to Beekeeping workshop
15:00-19:00	• Field trip to pasture areas and meeting with local community (Burovdal village)
19:00-20:00	• Dinner

20:10-21:00	• Meeting with Rafael Musayev, Project field monitoring expert
DAY 6: 21 October2018	
10:00-13:00	• Departure to Baku
	• home based work
DAY 7: 22 October2018	
10:00-12:00	• Meeting with Eltekin Omarov and Zaur Aliyev
12:00-13:00	• Meeting with Shamil Huseynov, Team Leader on outcome 1
13:00-14:00	• Lunch break
14:15-15:30	• Meeting with Ramil Huseyn, Communication and Economic Reform Center of Azerbaijan
16:00-16:20	• Meeting with Chingiz Mammadov and Project Team
DAY 8: 23 October2018	
10:00-11:30	• Meeting with Eltekin Omarov and Zaur Aliyev
12:00-12:40	• Meeting with Alessandro Fracassetti, UNDP Deputy Resident Representative

Annex 4 List of documents reviewed

The following documents were reviewed by the mission

1. Project Document
2. Project MTR report
3. All project PIR reports
4. All Steering Committee reports
5. Other relevant reports and documentation

Annex 5: People interviewed (chronological)

Please note that this list may not be complete

Zaur Aliyev: Project Assistant

Gunay Kazimli: Project Assistant

Eltekin Omarov: Project Manager

Chingiz Mammadov: UNDP Senior Programme Advisor

Bariz Mehdiyev: ex Project Land Management TL

Dr. Ramil Huseyn: Head of the Strategic Planning and
Development Department (MoENR)

Emin Garabaghli: Head Division of International Cooperation
(MoENR)

Alessandro Fracassetti: UNDP Deputy Resident Representative

Farid Abbasov: Conservation and sustainable use of globally
important agro-biodiversity project (UNDP)

Mahmud Suleymanov: Deputy Head Executive Power Ismayilli

Elmeddin Namazov: Expert in Horticulture

Shamil Huseynov: ex TL legal and institutional component

Issa Aliyev: former UNFCCC focal point

Echin Salahov: Head Forestry Ismayilli and Shemakha

Rafael Musayev: Field monitoring expert

Annex 6 Rating table TE Report

1. Monitoring and Evaluation	rating	Justifications for ratings and remarks
M&E design at entry	MS	On M&E design, the MTR (#10.2) was highly critical on the PRF and in particular on the indicators it contained. Indicators like “improved management” are meaningless and unverifiable. These problems are also highlighted in the TE Report.
M&E Plan Implementation	MS	As also mentioned in the MTR Report, “indicators are not playing an effective role in propelling the project forward”. “Improved management” is an example of an unmeasurable and thus unverifiable indicator. Yet it has been used in all PIRs.!!
Overall quality of M&E	MS	In view of the above, objective M&E was difficult, and should have been more practical and measurable. In addition the responsibilities of UNDP and the E.A. should have been better defined and adhered to, when it comes to M&E.
2. Assessment of Outcomes	rating	
Relevance	R	The entire project was highly relevant but should have been better designed in terms of a logical sequence of the activities, as elaborated in the TE Report. Also aspects like carbon sequestration and new inventory norms can be tested and adopted.
Effectiveness	MS	The right activities were carried out but should have been carried out in a different and more logical sequence in order to enhance effectiveness of the Project. Furthermore there should have been more involvement of the National Stakeholders ensuring the <u>enabling of proposals</u> . Lack of the elaboration of proper project roadmap led to the institutional objectives of the project being unclear. These aspects in fact are the subject of a new project which is under preparation. See below.
Efficiency	MS	The involvement of a very high number of external consulting firms and individuals reduced the efficiency (and also sustainability) of the operations due to their high cost and the lack of proper integration of project activities into the relevant national entities.

Overall Project Outcome Rating	MS	The Project achieved a good number of outputs, and irrespective of the efficiency, several of the outputs will be good ingredients to further efforts that are underway in the field of institutional organization and division of responsibilities by different entities. .
3. IA& EA Execution	Rating	
Quality of UNDP Implementation	MS	The terms: execution and implementation, in the project cycle, are often poorly defined in a practical manner. The consultant has had many discussions on the matter, as the terms appear academic but not so practical. The MoENR is the executing entity/implementation partner, yet all PIU staff work(ed) as employees and under the authority of UNDP.... Very poor national ownership of the Project.
Quality of Execution - Executing Agency	MS	A "Project Board" is the supreme instrument that governs project execution. The composition of the Board is not according to the prescribed chart, in fact it has the composition of a steering committee. The Reports are also called "Steering Committee Report"....Again it relates to the poor and unclear start up of the Project and the absence of a clear definition of the responsibilities and involvement of the National Stakeholders.
Overall quality of Implementation / Execution	MS	Inadequate ownership of the project by the national "Executing Agency", to a large extent due to the fact that Project implementation/execution was not properly outlined, planned and organized ("who does what") during the inception phase of the Project. On a better note, the Project contributed towards the bringing into motion an important movement within the government, which, at the time of the Mission was trying to fundamentally review the division of institutional responsibilities within the government regarding the management (and how) of the rangelands and the forest resources. In this respect the Project played a role in this process, ongoing at the time of the TE Mission
4. Sustainability	Rating	
Financial resources:	ML	As mentioned above, considerable resources have been used for a range of activities that are likely to be used in follow up activities/programmes.
Socio-political:	L	Based on the observations of the consultant, and spelled out in the TE Report, natural resources and their protection/sustainable management/use are given high priority in the Country. Furthermore, and following a meeting and exchanges with the <u>Center for Analyses of Economic Reforms and Communication</u> , the Government is in the process of thoroughly

		redefining natural resources management as well as the institutional division of responsibilities.
Institutional framework and governance:	ML	Please see overall quality of implementation regarding ownership of project under #3 above. The project was very poorly embedded in the national structures as elaborated at length in the Report chapter 3..
Environmental :	ML	In the view of the Consultant, and as mentioned and justified in the TE Report under chapter 4.1., the GoA is to be praised for the sound management of its natural resources. In addition, recent developments cited under 4.2. above (socio political) the prospects for the future, in the eyes of the Consultant, are very promising.
Overall likelihood of sustainability:	ML	Looking at the past and current management of the natural resources in the Country (rangelands, forests, water), the consultant is confident that the processes of updated management of the natural resources in an updated and more modern economy as being elaborated by the CAERC (see socio-political above) are very promising.

