



**INITIATION PLAN  
FOR A GEF PROJECT PREPARATION GRANT (PPG)**

**Country** Republic of Azerbaijan

**UNDAF Outcome(s)/Indicator(s):**

2.9 National environmental protection and natural resource management improve  
*(Link to UNDAF outcome. If no UNDAF, leave blank)*

**Expected Outcome(s)/Indicator (s):**

Strategic Plan Goal 4: Managing energy and the environment for sustainable development  
Outcome 3. Strengthened capacity of developing countries to mainstream climate change adaptation policies into national development plans  
*(CP outcomes linked to the SRF/MYFF goal and service line)*

**Expected Output(s)/Indicator(s):**

2.9.1 Selected commitments to Conventions on Biological Diversity, Climate Change and to Combat Desertification met;  
*(CP outcomes linked to the SRF/MYFF goal and service line)*

**Programme Period:** 2005-2010, 2011 -2015  
**Programme Component:** Goal 4: Managing energy and the environment for sustainable development  
**PPG Title:** Integrating climate change risks into water and flood management by vulnerable communities in the Greater Caucasus region of Azerbaijan  
**ATLAS Project ID:** 00075420  
**PIMS Project ID:** 3929  
**Duration:** August 2010- July 2011  
**Management Arrangement:** UNDP Country Office execution

Total budget:	US \$130,000
Allocated resources:	
• Government	
• Regular	US\$30,000
• Other:	
○ GEF	US \$100,000

**AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:**

*(Enter Name, Position)*

*Signature*

*Date: (Month, day, year)*

Fikret Akcura  
Resident Representative

## Brief Description of Initiation Plan

The Initiation Plan provides a framework for the implementation of the GEF Project Preparation Grant for the development of the Full-Size Project 'Integrating climate change risks into water and flood management by vulnerable mountainous communities in the Greater Caucasus region of Azerbaijan'.

The Initiation Plan covers preparatory activities such as studies and assessments which serve the purpose of collecting and analyzing data/information required for the preparation of the full project document based on the current Project Identification Form. These activities are described in detail in the GEF PPF approved grant document. The final deliverable of the Initiation Plan will be full size GEF project that will seek funding from the GEF administered Special Climate Change Fund.

The Initiation Plan will be executed by UNDP Azerbaijan Country Office in close cooperation with the Ministry of Ecology and Natural Resources and other relevant stakeholders. The Country Office will recruit a team of national and international consultants to undertake the activities. In the course of implementation Bratislava Regional Centre will be consulted for advice and guidance as required.

## GEF PPG approved grant document and TBWP

**GEFSEC PROJECT ID<sup>1</sup>:**

**GEF AGENCY PROJECT ID: 3929**

**COUNTRY(IES): Azerbaijan**

**PROJECT TITLE:** Integrating climate change risks into water and flood management by vulnerable mountainous communities in the Greater Caucasus region of Azerbaijan

**GEF AGENCY(IES): UNDP**

**OTHER EXECUTING PARTNER(S):** Ministry of Ecology and Natural Resources

**GEF FOCAL AREA:** Climate Change

### A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	July 2010
Completion date of PPG	July 2011

### B. PAST PROJECT PREPARATION ACTIVITIES (\$) N/A

### C. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

PPG will cover the following preparatory activities:

1. Baseline Studies:

a. Legal and institutional capacity review for water and flood management: The PPG will cover the cost of local consultants to review the current legislative and regulatory framework for water management in Azerbaijan. The review, will look into water governance set up both at national and sub-national level; the issue of implementing the principles of integrated water resource

<sup>1</sup> Project ID number will be assigned initially by GEFSEC. If PIF has been submitted earlier, use the same ID number as PIF.

management; basin and sub-basin water management modalities; more specifically it will: review legislation for water user associations, their mandates and organisational capacity to enforce water allocation and management decisions; review on-going and planned programmes to support policy modifications and support the implementation of water management regulations and sub-laws; review regulatory framework for flood management; institutional set up, including roles and responsibilities of various ministries and organisations for flood management in Azerbaijan; review current scope of investment in flood preparedness, flood protection and early warning; current observation and early warning capacity, including coverage of weather stations; data / information transmission capacity and timeliness of warnings; review land use policies, land use planning and implementation practice; identify the critical gaps in correlating land use planning and water and flood management; identify institutional capacity issues in water and flood management policy formulation and enforcement; this will include technical capacity issues, in terms of knowledge and skills.

b. Water and flood management issues in the Greater Caucasus region of Azerbaijan: The PPG will cover the cost of local consultants to undertake a desk review and a field-based study on water and flood management issues in the Greater Caucasus region. More specifically, the study will compile all existing studies and specifically assess water access and availability issues in the region; identify current water delivery infrastructure in the region (including ratio of irrigated and rainfed farms); Review current flood protection infrastructure and practices and their effectiveness, including the government expenditure on flood mitigation in the region; Provide information about the key categories of land use in the region; Identify and analyse the root causes of increasing flood risks (with particular focus on land use in relation to forests, pastures, population growth and settlement development); identify the most vulnerable localities in terms of reoccurring water shortages and flood incidents; review capacities of local organisations to address water needs and flood mitigation; current levels of ground water extraction and issues with ground water recharge. Identify programmes and projects directed towards addressing some of the identified root causes and barriers to sustainable water and flood management in the region.

c. Socio-economic baseline study for the Greater Caucasus: the PPG will cover the cost of local consultants to review current socio-economic conditions in the region. The study will identify areas of economic activities; farm size and yield volumes; overall poverty levels in the region; governmental subsidies and support programmes targeted to alleviate poverty; identify the most vulnerable social groups through local surveys and interviews (specifically target women to identify gender specific socio-economic vulnerabilities); coordinate the study with the local experts of task b and feed into the V&A study.

2. Climate change impacts and vulnerability assessment: Based on SNC and other related studies the PPG will cover the cost of a local consultant to compile and refine the impact and vulnerability assessment for the Greater Caucasus region. The assessment will retrieve and analyse the climate data (temperature and precipitation) from at least two weather stations in the targeted region; analyse data to establish the trend and consistency with the national scenarios developed during the SNC; compile all flood and drought related data / information for last 20 years, including magnitude of damages and losses experienced by the local communities; conduct local surveys to identify key vulnerabilities and level of response / adaptive capacity (key gaps in impact and vulnerability assessment, including level of uncertainties, will be identified and recommendations put forward for FSP implementation).

3. Conjunctive water management model: the PPG will cover the cost of an international consultant to analyse the feasibility of conjunctive water management in the Greater Caucasus

region. The study will review current practice of surface and ground water management; review potential of introducing innovative practice of conjunctive water management model as the means of addressing water shortages and flood mitigation in the context of seasonality of water availability and flood occurrence, including intensity; review good international practices of conjunctive water management in developed and developing countries in order to identify the best suited models for the local circumstances in the region (including hydrological regime specificities as well as local water management set up and capacities); provide detailed set of recommendations for the introduction of conjunctive water use and management in the region that includes regulatory framework requirements, institutional set up and capacity needs.

4. Feasibility analysis: the PPG will cover the cost of international consultant to carry out a detailed feasibility study for the FSP; this will include:
  - a. Determine the scope of the studies by national and international consultants, guide and coordinate their assessments throughout the PPG phase; provide the quality control and technical guidance function;
  - b. Based on the studies conducted by the international and national consultants determine the project scope and analyse the feasibility of alternative approaches to be proposed by the project; including risks to the alternative and mitigation strategies;
  - c. Based on the findings and inputs by the national experts identify key vulnerabilities to climate change risks and analyse the root causes of vulnerabilities; establish climate change induced threats to local communities of the target region, with particular focus on water shortages and flood intensity;
  - d. Conduct detailed barrier analysis for integrated water and flood management (including conjunctive water management) options and define barrier removal approach as a key strategy for project implementation;
  - e. Select the sites for on-the-ground adaptation options, based on the criteria i) documented current vulnerability and climate change impacts that translate in increasing water shortages and flood intensities; ii) proximity to the weather stations and relatively good observation coverage (current or planned); iii) evidence of interest and support by the local authorities and communities to undertake some of the adaptation measures, such as afforestation, hazard zoning enforcement; farm-based water harvesting, watershed management etc; iv) local implementation capacity; v) potential of partnerships with other donors; etc (criteria will be refined by the consultant during the PPG);
  - f. Based on analysis and on the results of the other assessments, articulate the objective, a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified threats and barriers, with particular focus on threats from climate variability and long term change;
  - g. Determine socio-economic and financial sustainability of the project results; propose clear sustainability and financial plan for the project;
  - h. Develop a Monitoring and Evaluation Plan: a set of impact indicators to track the project's progress and effectiveness, baseline and target values of indicators.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Project Preparation Amount (a)	Co-financing (b)	Total c = a + b
Undertake baseline studies: socio-economic; legal and institutional; water and flood management.	Baseline report	30,000	40,000	70,000
Undertake climate change impact and vulnerability assessment	V&A report for the target region	20,000	40,000	60,000
Undertake conjunctive water management study	Report on proposed model of conjunctive water management, including analysis of good international practice	20,000	10,000	30,000
Conduct feasibility study	Feasibility study report, includes project strategy, logframe, M&E plan	30,000	10,000	40,000
<b>Total Project Preparation Financing</b>		<b>100,000</b>	<b>100,000</b>	<b>200,000</b>

**D. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)**

	Project Preparation	Agency Fee
GEF financing	100,000	10,000
Co-financing	100,000	
<b>Total</b>	<b>200,000</b>	<b>10,000</b>

**E. FOR MULTI AGENCIES/COUNTRIES N/A**

**F. PPG BUDGET REQUESTING SCCF FINANCING**

Cost Items	Total Estimated Person weeks (pw)**	SCCF	Co-financing (\$)	Total (\$)
<b>Local consultants *</b>				
Water expert	48	3,200	16,000	19,200
Flood management expert	48	3,200	16,000	19,200
Policy and institutional expert	50	4,000	16,000	20,000
V&A expert	20	4,000	4,000	8,000
<b>International consultants*</b>				
Conjunctive water management expert	11	33,000	0	33,000
Feasibility study	15	39,000	6,000	45,000
Travel		13,600	10,000	23,600
Workshops (logframe, barrier analysis, risk assessments, project strategy)		0	20,000	20,000

Miscellaneous (stationary, surveys, communication)		0	12,000	12,000
<b>Total PPG Budget</b>		100,000	100,000	200,000

\* A separate Annex A for Consultant cost details should be included in this PPG Request.

\*\* Person weeks here refers to the weeks that are to be charged to the SCCF grant. One can also provide person months, if this is more applicable to the project. For co-financing, provide only the dollar amount.

**G. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with SCCF policies and procedures and meets the SCCF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Yannick Glemarec Executive Coordinator UNDP/GEF	<i>Y. Glemarec</i>	April 28, 2010	Keti Chachibaia	+421 2 59337 422	<a href="mailto:keti.chachibaja@undp.org">keti.chachibaja@undp.org</a>

**Annex A**

**Consultants Financed by the Project Preparation Grant (PPG)**

<b>Position / Titles</b>	<b>S/ person week*</b>	<b>Estimated PWs**</b>	<b>Tasks to be performed</b>
Local			
Water expert	400	48	(i) review water resources in the target region: main sources (river networks), per capita / year water availability; (ii) review water access issues in the region related to infrastructure as well as management, physical distribution and allocation rules; (iii) establish the trend of water demand increase in the region, including the current deficit; (iv) identify key categories of water demand and use in the region (agriculture, municipal, etc) (v) study ground water availability in the region, source of formation, and replenishment; (vi) identify issues related to ground water replenishment and extraction; (vii) analyse root causes of water shortages (viii) suggest relevant solutions for the region;
Flood management expert	400	48	(i) describe flood management practice in the region; (ii) assess the effectiveness of current structural and non-structural measures of flood management in the region; (iii) analyse the current system of observation and early warning; means of data and information transmission; effectiveness and timeliness of warning delivery to the vulnerable communities; (iv) identify and analyse root causes to increasing vulnerability to floods – issue of exposure; (v) analyse root causes to ineffective land use planning and management; (vi) suggest relevant solutions to improved land use planning to underpin flood mitigation and management.
Policy and institutional expert	400	50	(i) review the current legislative and regulatory framework for water management in Azerbaijan; (ii) review water governance set up both at national and sub-national level; (iii) analyse the current status with implementing the principles of integrated water resource

			<p>management; basin and sub-basin water management modalities; (iv) review legislation for water user associations, their mandates and organisational capacity to enforce water allocation and management decisions; (v) review on-going and planned programmes to support policy modifications and support the implementation of water management regulations and sub-laws; (vi) review regulatory framework for flood management; institutional set up, including roles and responsibilities of various ministries and organisations for flood management; (vii) review current scope of investment in flood preparedness, flood protection and early warning; (viii) review current observation and early warning capacity, including coverage of weather stations; (ix) identify total fund allocations to flood mitigation and protection; trends of increase / decrease during the past 5-10 years; (x) identify key gaps or inconsistencies in the national law and sub-laws in water and flood management; (xi) analyse root causes to the gaps as well as issues of enforcement; (xii) identify institutional capacity issues in water and flood management policy formulation and enforcement; this will include technical capacity issues, in terms of knowledge and skills.</p>
V&A expert	400	20	<p>(i) review current socio-economic conditions in the region; (ii) identify areas of economic activities; farm size and yield volumes; overall poverty levels in the region; governmental subsidies and support programmes to alleviate poverty; (iii) identify the most vulnerable social groups through local surveys and interviews (specifically target women to identify gender specific socio-economic vulnerabilities); (iv) based on SNC and other related studies the compile and refine the impact and vulnerability assessment for the Greater Caucasus region; (v) retrieve and analyse the climate data (temperature and precipitation) from at least two weather stations in the targeted region; analyse to</p>



			<p>establish the trend and consistency with the national scenarios; (vi) compile all flood and drought related data / information for last 20 years, including magnitude of damages and losses experienced by the local communities; (vii) conduct local surveys to indentify key vulnerabilities and level of response / adaptive capacity (key gaps in impact and vulnerability assessment, including level of uncertainties;</p>
International			
Conjunctive water management	3,000	11	<p>(i) review current practice of surface and ground water management; (ii) review potential of introducing innovative practice of conjunctive water management model; (iii) review good international practices of conjunctive water management in developed and developing countries and identify the best suited models for the local circumstances in the region; (iv) provide detailed set of recommendations for the introduction of conjunctive water use and management in the region that includes regulatory framework requirements, institutional set up and capacity needs.</p>
Feasibility study expert	3,000	15	<p>(i) review and synthesize results of all baseline studies (ii) analyze the feasibility of alternative approaches to current practice of water and flood management - under what circumstances would local communities engage in appropriate adaptation measures to improve water availability conditions and flood management; (iii) analyze and propose alternative activities such as modifications to their ongoing activities; improved land use practice; observance of flood plain / hazard buffer zones; adopt certain water harvesting practices; (iv) analyze the national level policy, legislative and strategic constraints to water and flood management. (v) analyze the cost-effectiveness of the proposed interventions; (vi) articulate the objective, a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified threats and barriers, with particular focus on</p>

			threats from climate variability and long term change; (vii) social, economic and financial sustainability of proposed project activities; (viii) develop of a Monitoring and Evaluation Plan: a set of impact indicators to track the project's progress and effectiveness, baseline and target values on indicators;
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\* Or person month, if applicable. Please indicate clearly.

\*\* Provide weeks or months as appropriate that corresponds to the rate provided in the previous column.