



United Nations Development Programme

Country: Azerbaijan

PROJECT DOCUMENT

Project Title:

Minamata Initial Assessment for Azerbaijan

UNAPF Outcome 3: By 2020, sustainable development policies and legislation are in place, better implemented and coordinated in compliance with multilateral environmental agreements, recognize social and health linkages, and address issues of environment and natural resource management, energy efficiency and renewable energy, climate change and resilience to hazards and disasters

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:

Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

Output 1.3. Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.

Executing Entity/Implementing Partner: Ministry of Ecology and Natural Resources (MENR)

Implementing Entity/Responsible Partners: Ministry of Ecology and Natural Resources (MENR)

Brief Description

The project will support the government of Azerbaijan through the Ministry of Ecology and Natural Resources to undertake an initial mercury assessment to identify the national mercury challenges and the extent to which legal, policy and regulatory framework will enable Azerbaijan to implement future obligations under the Minamata Convention.

Programme Period:	2016-2020
Atlas Award ID:	00093873
Project ID:	00098122
PIMS #	5639
Start date:	March 2016
End Date	March 2018
Management Arrangements	NIM
PAC Meeting Date	21/12/2015

Total resources required	USD 200,000
Total allocated resources:	USD 200,000
• Regular	
• Other:	
o GEF	USD 200,000

Agreed by Mr. Emin Garabaghli, Head of division for international cooperation, Ministry of Ecology and Natural Resources

Emin Garabaghli 25.02.2016

Date/Month/Year

Agreed by (UNDP): Mr. Erjan Murat, UNDP Resident Representative a.

Erjan Murat 01.03.16

Date/Month/Year

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LIST OF ACRONYMS

APR	Annual Progress Report
ASGM	Artisanal and Small-Scale Gold Mining
AWP	Annual Work Plan
CO	(UNDP) Country Office
CEO	Chief Executive Officer
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CSO	Civil Society Organization
CTA	Chief Technical Advisor
DSA	Daily Subsistence Allowance
EA	Environmental Assessment
EEG	(UNDP) Energy & Environment Group
ERBM	European Resource Bank Meeting
ESCO	Energy Service Company
EU	European Union
GEF	Global Environment Facility
GEFTF	Global Environment Facility Trust Fund
IA	Implementing Agency
LDCF	Least Developed Countries Fund
M&E	Monitoring and Evaluation
MEA	Monitoring and Evaluation Associate
MENR	Ministry of Ecology and Natural Resources
MIA	Mercury Initial Assessment
NGO	Non-Government Organization
NIM	National Implementation Modality
NPIF	Nagoya Protocol Implementation Fund
OFF	(GEF) Operational Focal Point
PAC	Project Approval Committee
PC	Project Coordinator
PD	Project Director
PIR	Project Initiation Report
PSC	Programme Service Center
PPG	Project Preparation Grant
PPR	Project Progress Report
RCU	(UNDP) Regional Coordinating Unit
RTA	(UNDP) Regional Technical Adviser
SBAA	Standard Basic Assistance Agreement
SCCF	Special Climate Change Fund
UN	United Nations

UNAPF United Nations Azerbaijan Partnership Framework
UNDP United Nations Development Programme
UNEP United Nations Environment Programme

LIST OF ANNEXES

Annex 1. Terms of reference of project involved staff and experts

Annex 2. Risk analysis

Annex 3. Azerbaijan GEF OFP endorsement letter

1. SITUATION ANALYSIS

The Government of Azerbaijan represented by the Ministry of Ecology and Natural Resources, on July 31 2015 sent letters to UNEP and to GEF expressing its commitments and confirmation that the country is taking meaningful steps towards becoming a Party to the Minamata Convention.

The Republic of Azerbaijan has ratified both the Basel (2001) and Stockholm (2003) Conventions. In period since 2000 to 2008 in agriculture, industry, labor protection, health, and transportation sectors laws and by-laws were adopted related to licensing, codification, transportation, storage, and disposal of hazardous wastes including mercury. In accordance with these regulations all mercury-containing substances should be safely collected, transferred and deposited at the hazardous wastes landfills.

Under the Labor Code of Azerbaijan (August 01, 2011) additional incentives and compensations are envisaged for workers dealing with mercury-containing substances. Although the Minamata Convention envisages the phase-out of mercury-based chlorine-alkaline production by 2025, Azerbaijan has stopped this industrial practice much earlier by completely closing the factory more than a decade ago.

As per the Agreement signed between the Government of Azerbaijan and the International Development Association in 1998, the Ministry of Ecology and Natural Resources implemented a project funded by the World Bank on mercury clean-up in a chlorine-alkaline plant located in Sumgayit. In the framework of this project, 200 thousand tons of mercury-contaminated soil was excavated and safely deposited in a Hazardous Waste Landfill under the Ministry of Ecology and Natural Resources (MENR) constructed in 2004 near Sumgayit in accordance with the international safety regulations.

The state structures actively cooperate with civil society organizations in the area of protection from mercury contamination. Round tables, debates are held regularly, articles are published, and awareness-raising campaigns are conducted.

The state cooperates also with the international organizations. In 2009-2011 UNDP jointly with the Ministry of Ecology and Natural Resources has successfully implemented the "Solid Waste Management Improvement" project, which lays solid foundation for future cooperation under Minamata convention.

2. STRATEGY

The project is funded by the GEF Enabling Activities and the project framework, including envisaged activities, are entirely in line with the GEF Initial Guidelines for Enabling Activities for the Minamata Convention on Mercury (GEF/C.45/Inf.05).

Project Objective:

The project's objective is to undertake a Mercury Initial Assessment (MIA) to enable the Government of Azerbaijan to determine the national requirements and needs for ratification of the Minamata Convention and establish a sound foundation to undertake future work towards the implementation of the Convention. It will do so by implementing four components as specified in the GEF guidelines (GEF/C.45/Inf.05 paragraph 19), as well as a fifth component on mainstreaming:

1. Undertake an assessment of legislation and policies in regard to the implementation of Convention provisions of:

- Article 3;
- Article 5;
- Article 7 (including legislation and policy to cover formalization, worker health and safety);
- Article 8 (specifically in regard to relevant national air pollution/emission standards and regulations);
- Article 9 (specifically in regard to the ability to identify and categorize sources of releases).

The policy and legislative assessment will be undertaken through a review of existing legislation on chemicals management and identification of the gaps prevalent in association to issues of mercury. In addition, the legislation review will assess the necessary steps for the establishment of a National Mercury Coordination/Consultation Mechanism.

2. Undertake an initial assessment of Mercury in the following categories:

- Stocks of mercury and/or mercury compounds and import and export procedures including an assessment of the storage conditions;
- Supply of mercury, including sources, recycling activities and quantities;
- Sectors that use mercury and the amount per year, including manufacturing processes, ASGM and mercury added products;
- Trade in mercury and mercury containing compounds.

3. Identify:

- Emission sources of mercury;
- Release sources of mercury to land and water.

4. Assess institutional and capacity needs to implement the Convention.

Institutional capacity of governmental institutions and agencies will be assessed to determine the capacity needs and gaps that exist for the implementation of the Convention and propose intervention to strengthen these institutions and capacity. The assessment will also review the systems needed to report to the Convention under article 21.

The institutional capacity gaps identified and the findings of the legislation and policy review will be used to formulate a number of priority actions, which will be included in the Mercury Initial Assessment Report. Proposed actions will be discussed and agreed upon among the key stakeholders mentioned above through several rounds of discussions.

5. Mainstream national Mercury priorities in national policies and plans to raise the importance of Hg priority interventions:

- Identify national mercury priorities;
- Assess opportunities for mainstreaming Hg priorities;
- Mainstream Hg priority interventions in relevant policies/plans.

3. KEY STAKEHOLDERS

The key stakeholders involved in the project are the following:

- **Ministry of Ecology and Natural Resources:** Hosts the focal point for the Minamata Convention. Is responsible for: Planning and policy development related to the implementation of the Minamata Convention; Ensures overall coordination at national level in support of the Minamata Convention, including: i) Setting of national targets; ii) Support the Mercury inventory; iii) Monitor levels of contamination in environmental media and quantity of Mercury in products; iv) Coordinates with national

partners such as the Ministry of Health and the Ministry of Agriculture to address national priorities related to Mercury phase-out; v) Oversees the environmentally sound disposal of Mercury containing products and materials resulting from phase-out efforts.

- Ministry of Health: Implements newly developed and adopted regulations in the health sector; Coordinates project components that pertain to the use of Mercury in the health sector; Advocates and increases awareness for the phase-out of Mercury containing devices where cost-effective alternatives exist; and, Provides advice and guidance on best practices for Mercury management in the health sector.

- Ministry of Emergency Situations: Responsible for the spill containment/clean-up of unplanned emissions of mercury resulting from industrial production, transportation, storage, and disposal accidents/incidents. This includes provision of measures for domestic mercury-containing wastes as well.

- Ministry of Agriculture: Identify and take stock of mercury-containing obsolete agricultural chemicals that might still be present on farms, railway stations and storage locations. Collaborate with local entities on the prioritization of necessary interventions to prevent harmful releases to the environment and public health.

- Civil Society Organizations and Non-Governmental Organizations (CSOs/NGOs): Will be actively participating in collection of data and information on the environmental and health aspects and concerns related to Mercury releases and accumulation in the environment. They will be very helpful also in the dissemination of project results and raising awareness on mercury issues (health and environment) among local communities and population groups at risk, the general public and decision makers.

4. GENDER DIMENSIONS

As mercury is passed on from mother to child, and fetuses and children are most susceptible to developmental effects from mercury, the MIA will pay particular attention to assessing national capacity to keep such risk groups safe. Recommendations on how to improve gender dimensions and gender mainstreaming related to mercury, and support priority actions in this area will be highlighted in the MIA report.

5. PROJECT RESULTS FRAMEWORK

This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD: UNAPF Outcome 3: By 2020, sustainable development policies and legislation are in place, better implemented and coordinated in compliance with multilateral environmental agreements, recognize social and health linkages, and address issues of environment and natural resource management, energy efficiency and renewable energy, climate change and resilience to hazards and disasters

Country Program Outcome Indicators: Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

Output 1.3. Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.

Indicator 1.3.1: Number of new partnership mechanisms with funding for sustainable management solutions of natural resources, ecosystem services, at national and/or sub-national level, disaggregated by partnership type.

Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): Support enabling activities and promote their integration into national budgets, planning processes, national and sectoral policies and actions, and global monitoring

Applicable GEF Strategic Objective and Program: Develop the enabling conditions, tools and environment to manage harmful chemicals and wastes

Applicable GEF Expected Outcomes: Outcome 2.1: Countries have undertaken Minamata Convention initial assessments activities and ratified the Minamata Convention

Applicable GEF Outcome Indicators: Indicator 1.3.1: Number of new partnership mechanisms with funding for sustainable management solutions of natural resources, ecosystem services, at national and/or sub-national level, disaggregated by partnership type.

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Project Objective¹ Undertake a Mercury Initial Assessment to enable the Government of Azerbaijan to determine the national requirements and needs for ratification of the Minamata Convention and establish a sound foundation to undertake future work towards the implementation of the Convention.	<ul style="list-style-type: none"> ▪ Number and quality of Initial assessment activities that will contribute to Mercury assessment ▪ Mechanisms introduced to support ratification of the Minamata Convention 	<ul style="list-style-type: none"> ▪ No previous Minamata assessment on mercury prepared at national level ▪ Lack of accurate knowledge on mercury sources, releases, and existing contamination situation ▪ Lack of information on Minamata convention's provisions and requirements ▪ Limited 	<ul style="list-style-type: none"> ▪ Mercury assessment for Azerbaijan completed, public and key stakeholder consultations held, and enabling environment for ratification of the Minamata convention established and supported. 	<ul style="list-style-type: none"> ▪ Project implementation and technical reports ▪ Ministry of Ecology and Natural Resources reports 	<ul style="list-style-type: none"> ▪ Risk: Change of the Government stand towards Convention ratification ▪ Assumption: Government agencies will provide access to priority data and analysis. ▪ Assumption: Government, key stakeholders and non-governmental project partners will be actively engaged in the project

¹ Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR

<p>Outcome 1² Enabling environment for decision-making on the ratification of Minamata established.</p>	<ul style="list-style-type: none"> Degree to which policy and regulatory framework, and instruments including institutional capacity respond/comply to Minamata provisions 	<p>preparedness to ratify the convention and implement its provisions</p> <ul style="list-style-type: none"> No public consultations held on the Minamata Convention and its provisions No commitment for ratification of the Minamata convention planned by the Government 	<ul style="list-style-type: none"> Key stakeholders from public, private sectors and NGOs engaged in the consultation process National awareness on Minamata provisions and decision making has been increased and public consultations supported Supporting environment with draft legislative acts has been created to ensure faster ratification of the Minamata convention 	<ul style="list-style-type: none"> Workshop agendas/reports on record Meeting Minutes Draft legal acts on ratification plans Structured questionnaires and/or interviews Project quarterly and progress reports Independent mid-term and final evaluation reports 	<ul style="list-style-type: none"> Risk: Change of the Government stand towards Convention ratification
<p>Outcome 2 National Mercury Profile and Mercury Initial Assessment Report developed</p>	<ul style="list-style-type: none"> Number and quality of Initial assessment activities that will contribute to Mercury assessment 	<ul style="list-style-type: none"> No assessment conducted to date with regard to Mercury issues. No national Mercury profile and socio-economic implications of exposure to mercury prepared No consultation on priority action and financial 	<ul style="list-style-type: none"> Initial inventory of mercury sources completed Consultations on socio-economic implications, product substitution, technology transfer, remediation costs and financial resources for intervention held Mercury profile and Assessment report drafted and reviewed by stakeholders, and submitted 	<ul style="list-style-type: none"> Ministry of Ecology and Natural Resources reports to GEF/Minamata convention Secretariat Technical reports Workshop agendas/reports 	<ul style="list-style-type: none"> Assumption: Government agencies will provide access to priority data and analysis. Assumption: Government and non-governmental project partners will be actively engaged in the project

² All outcomes monitored annually in the APR/PIR. It is highly recommended not to have more than 4 outcomes.

		resources for interventions taken place				
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6. TOTAL BUDGET AND WORKPLAN

Award ID:	00092494	Project ID(s):	00097181
Award Title:	Azerbaijan Minamata Initial Assessment		
Business Unit:	AZE10		
Project Title:	Azerbaijan Minamata Initial Assessment		
PIMS no.5639			
Implementing Partner (Executing Agency)	Ministry of Ecology and Natural Resources		

GEF Outcome/ Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	ATLAS Budget Code	ATLAS Budget Description	Amount YEAR 1 (USD)	Amount YEAR 2 (USD)	Amount YEAR 3 (USD)	Amount YEAR 4 (USD)	TOTAL	Budget #
I Enabling environment for decision-making on the ratification of Minamata established	MENR	62000	GEF	71200	International Consultant	5,000	5,000			10,000	1
				71300	Local Consultants	16,000	18,000			34,000	2
				71600	Travel	2,000	2,000		4,000	3	
				74100	Professional Services (Audit)	0	3,000		3,000	4	
				74500	Miscellaneous expenses	319	500		819	5	
TOTAL COMPONENT 1						23,319	28,500			51,819	
II Development of National Mercury Profile and Mercury Initial Assessment Report	MENR	62000	GEF	71200	International Consultants	2,000	12,000			14,000	6
				71300	Local Consultants	20,000	20,000			40,000	7
				71600	Travel	4,500	5,000		9,500	8	
				72100	Contractual Services - Companies	11,900	27,900		39,800	9	
				72400	Communic & Audio Visual Equip	2700	3,000		5,700	10	
				74500	Miscellaneous expenses	500	500		1,000	11	
				74200	Audio visual and printing prod.	2,000	3,000		5,000	12	
TOTAL COMPONENT 2						43,600	71,400			115,000	

III Monitoring and Evaluation	MENR	62000	GEF	71300	Local Consultant	15,000	15,000	13
	MENR	62000	GEF	71400	Project Coordinator	8,000	16,000	14
	MENR	62000	GEF	74200	Audio visual and printing prod.	181	181	12
	UNDP	62000	GEF	74598	Direct Project Services cost	1,000	2,000	15
TOTAL PROJECT MANAGEMENT						9,181	18,181	
TOTAL PROJECT						76,100	123,900	200,000

SUMMARY OF FUNDS:

	Amount Year 1 (US \$)	Amount Year 2 (US \$)	Total
GEF	76,100	123,900	200,000
Total	76,100	123,900	200,000

7. BUDGET NOTES

1	Annex 1 provides details and terms of reference for the consultant to be engaged for 40 days @ 600 USD/day (half costs in the first activity).
2	Annex 1 provides details and terms of reference for the consultants: 4 consultants on data gathering and assessment in different sectors plus technical coordinator (132 days for technical coordinator and local expert on data collection, 40 days for environmental legal expert and environmental economist and 26 days for social assessment specialist (distributed between two activities).
3	Travel for international expert/s and DSA for field work & missions in Azerbaijan for international experts and national experts
4	Project auditing related expenses
5	Miscellaneous (Includes bank fees, storage, insurance, and other expenses)
6	Annex 1 provides details and terms of reference for the consultant to be engaged for 40 days @ 700 USD/day (half costs in the second activity).
7	Annex 1 provides details and terms of reference for the consultants: 4 consultants on data gathering and assessment in different sectors plus technical coordinator (132 days for technical coordinator and local expert on data collection, 40 days for environmental legal expert and environmental economist and 26 days for social assessment specialist (distributed between two activities).
8	Travel for international expert/s and DSA for field work & missions in Azerbaijan for international experts and national experts
9	Expenditures related to subcontracted services
10	Expenditures related to communication and audiovisual equipment for project needs
11	Miscellaneous (Includes bank fees, storage, insurance, and other expenses)
12	Expenditures related to conferences, events, subcontracted services.
13	Expenses for independent evaluator to conduct Terminal Evaluation
14	Expenses for project coordination (80 days in total \$200 per day)
15	For the provision of support services by the UNDP Country office

8. HUMAN RESOURCES

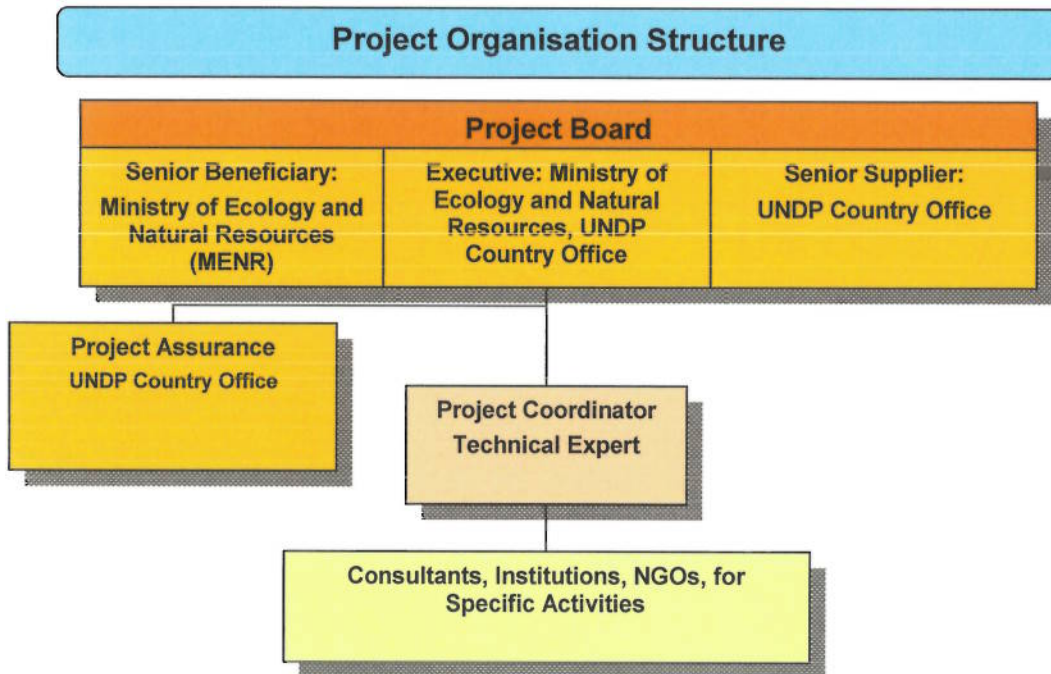
Position Titles	\$/ Person days	Estimated Person days	Tasks to be Performed
For EA Management			
Local (from management budget)			
Project coordinator	200	80	Assist supervision and coordination of the project to ensure its results are in accordance with the Project Document; Assume primary responsibility for daily project operations both organizational and substantive

			<p>matters budgeting, planning, reporting (including financial) and general monitoring of the project;</p> <p>Ensure adequate information flow, discussions and feedback among the various stakeholders of the project;</p> <p>Ensure adherence to the project's work plan, prepare revisions of the work plan, if required;</p> <p>Assume overall responsibility for the proper handling of logistics related to project workshops and events;</p> <p>Assist preparation, and agree with UNDP and ministry on, terms of reference for national and international consultants and subcontractors;</p> <p>Assist/coordinate the work of consultants and subcontractors and oversee compliance with the agreed work plan;</p> <p>Maintain regular contact with UNDP Country Office and the National Project Director on project implementation issues of their respective competence;</p> <p>Monitor the expenditures, commitments and balance of funds under the project budget lines, and draft project budget revisions;</p> <p>Assume overall responsibility for the meeting financial delivery targets set out in the agreed annual work plans, reporting on project funds and related record keeping;</p> <p>Assume overall responsibility for reporting on project progress vis-à-vis indicators in the logframe;</p> <p>Prepare GEF quarterly project progress reports, as well as other reports requested by the Ministry and UNDP;</p> <p>Undertake any other actions related to the project as requested by UNDP or the National Project Director.</p>
For Technical Assistance (from technical components)			
Local			
Technical Coordinator	200	132	<p>Review Assessments generated under regulatory analysis and inventory;</p> <p>Assessment of the impact of project outputs on</p>

			<p>specific stakeholders and general public;</p> <p>Development of documentations to support stakeholder consultations as well as public awareness activities.</p>
Environmental Legal expert	200	40	<p>Detailed review of regulatory framework and identification of gaps in management of mercury;</p> <p>Development of specific recommendations on adjustments, amendments required in existing legislation;</p> <p>Liaise with Ministry of Ecology and Natural Resources, Minamata focal point and relevant government agencies for development of effective proposals for regulatory framework development.</p>
National experts on data collection, organization and analysis	200	132	<p>Identification of main target areas (sites) and sources for collection of data in accordance with the rapid assessment: i) coal-fired power plants; ii) cement production; iii) mining and other metallurgical activities; iv) mercury mining; v) small-scale gold and silver mining; vi) chlor-alkali production; vii) fluorescent lamps, manometers, thermometers; viii) manufacturing of products containing mercury; and ix) waste (including medical waste) incineration;</p> <p>Selection of methodology for the collection and analysis of data under each mercury source identified;</p> <p>Collection of data and analysis;</p> <p>Review of the rapid assessment of sources and validation (or expansion) of the list in accordance with collected data.</p>
Environmental economist	200	40	<p>Conduct the cost benefit analysis for the mainstreaming activity;</p> <p>Develop Socio-Economic Study on ASGM</p> <p>Coordinate the mainstreaming activities between involved institutions</p> <p>Develop the final report on Mainstreaming</p>
Social assessment specialist	200	26	<p>Conduct the analysis of the current social situation with mercury contaminations, short- and long-term consequences of joining the Minamata Convention</p> <p>Coordinates social aspects of mainstreaming activities, including gender issues</p>

			Develops the report on social aspects of mainstreaming activities, including gender.
International (from technical components)			
International technical expert	600	40	<p>Provision of technical advisory support (with missions) to the local team on the Minamata convention as the new MEA instrument, mercury sources, data organization, collection and validation process in each related sector/sub-sector;</p> <p>Support to the national level consultations on the data analysis, national mercury profile formulation and priority setting processes for decision-making;</p> <p>Provision of regulatory advisory support where needed with respect existing international benchmarks</p> <p>Provision of support to develop and analyze cost related to the implementation of the Convention and description of potential sources of funds, including existing bilateral sources</p>

9. MANAGEMENT ARRANGEMENTS



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

The UNDP Country Office (CO) will monitor the implementation of the project, review progress in the realization of the project outputs, and ensure the proper use of UNDP/GEF funds.

The project will be nationally implemented (NIM) by the Ministry of Ecology and Natural Resources (MENR) - and its subordinated public entities - in line with the Standard Basic Assistance Agreement (SBAA of 06 January, 2001).

The MENR will have the overall responsibility for achieving the project goal and objectives. The MENR will be directly responsible for creating the enabling conditions for implementation of all project activities. The MENR will designate a senior official to act as the Project Director (PD). The PD will provide the strategic oversight and guidance to project implementation.

The day-to-day administration of the project will be carried out by a national Project Coordinator (PC). The PC will be technically supported by contracted national and international service providers. Recruitment of specialist support services and procurement of any equipment and materials for the project will be done in accordance with relevant recruitment and procurement rules and procedures.

A Project Steering Committee (PSC) will be constituted to serve as the executive decision making body for the project.

The PC will produce an Annual Work Plan (AWP) to be approved by the PSC at the beginning of each year. These plans will provide the basis for allocating resources to planned project activities. Once the PSC

approves the AWP, this will be sent to the UNDP Programme Specialist-Technical Advisor for Montreal Protocol Unit/Chemicals for clearance. Once the AWP is cleared by, it will be sent to the UNDP/GEF Unit in New York for final approval and release of the funding. The PC will further produce quarterly operational reports and Annual Progress Reports (APR) for review by the PSC, or any other reports at the request of the PSC. These reports will summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities.

The financial arrangements and procedures for the project are governed by the UNDP rules and regulations for National Implementation Modality (NIM). All procurement and financial transactions will be governed by applicable UNDP regulations under NIM.

10. MONITORING FRAMEWORK AND EVALUATION

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

Project start:

A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

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

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- b) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- c) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- d) Plan and schedule Project Board meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

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

Quarterly:

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).

- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

Bi-annual progress:

- Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out twice a year.

Periodic Monitoring:

Day to day monitoring of implementation progress will be the responsibility of the Project Coordinator, Director or CTA (depending on the established project structure) based on the project's Annual Work plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

End of Project:

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

Audit clause:

Audit on project will follow UNDP Financial Regulations and Rules and applicable Audit policies.

Learning and knowledge sharing:

Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team start time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP CO, UNDP GEF 	3,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> ▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ Oversight by Project Manager ▪ Project team 	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG 	None	Not applicable
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ Project manager and team 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	None	Not applicable for EA projects
Final Evaluation	<ul style="list-style-type: none"> ▪ Project manager and team, ▪ UNDP CO ▪ UNDP RCU ▪ External 	None	Not applicable for EA projects

Type of M&E activity	Responsible Parties	Budget US\$ Excluding project team staff time	Time frame
	Consultants (i.e. evaluation team)		
Project Terminal Report	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ local consultant 		At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team 	Indicative cost : 3,000	Once throughout the project duration
Visits to field sites	<ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 6,000 (+/- 5% of total budget)	

Communications and visibility requirements:

Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

Full compliance is required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

11. LEGAL CONTEXT

This document constitutes the 'Project Document' as referred to in the *Standard Basic Assistance Agreement* (SBAA dated 06 January 2001). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner", as such term is defined and used in this document.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.

12. ANNEXES

Annex 1. Terms of reference of project involved staff and experts

Project Coordinator

Background

The Project Coordinator will be locally recruited, based on an open competitive process. He/she will be responsible for the overall coordination of the project, including the mobilization of all project inputs, supervision over project staff, consultants and sub-contractors. The Project Coordinator will report to the UNDP Environment and Energy Programme Officer. From the strategic point of view of the project, the Project Coordinator will report on a periodic basis to the Project Steering Committee (PSC). Generally he/she will be responsible for meeting government obligations under the project, under the national implementation modality (NIM). The incumbent will perform a liaison role with the Government, UNDP, implementing partners, NGOs and other stakeholders, and maintain close collaboration with any donor agencies supporting project activities.

Duties and Responsibilities

- Supervise and coordinate the project to ensure its results are in accordance with the Project Document;
- Assume primary responsibility for daily project coordination both organizational and substantive matters budgeting, planning and general monitoring of the project;
- Ensure adequate information flow, discussions and feedback among the various stakeholders of the project;
- Ensure adherence to the project's work plan, prepare revisions of the work plan, if required;
- Assume overall responsibility for the proper handling of logistics related to project workshops and events;
- Prepare, and agree with UNDP and ministry on, terms of reference for national and international consultants and subcontractors;
- Guide the work of consultants and subcontractors and oversee compliance with the agreed work plan;
- Maintain regular contact with UNDP Country Office and the National Project Director on project implementation issues of their respective competence;
- Monitor the expenditures, commitments and balance of funds under the project budget lines, and draft project budget revisions;
- Assume overall responsibility for the meeting financial delivery targets set out in the agreed annual work plans, reporting on project funds and related record keeping;
- Liaise with project partners to ensure their co-financing contributions are provided within the agreed terms;
- Assume overall responsibility for reporting on project progress vis-à-vis indicators in the logframe;
- Prepare GEF quarterly project progress reports, as well as any other reports requested by the Executing Agency and UNDP;
- Undertake any other actions related to the project as requested by UNDP or the National Project Director.

Position Titles	Tasks to be performed
Local Consultants	

Position Titles	Tasks to be performed
Technical Coordinator	<ul style="list-style-type: none"> -Review Assessments generated under regulatory analysis and inventory; -Assessment of the impact of project outputs on specific stakeholders and general public; -Development of documentations to support stakeholder consultations as well as public awareness activities
Environmental Legal expert	<p>Detailed review of regulatory framework and identification of gaps in management of mercury;</p> <ul style="list-style-type: none"> - Development of specific recommendations on adjustments, amendments required in existing legislation; - Liaise with Ministry of Ecology and Natural Resources, Minamata focal point and relevant government agencies for development of effective proposals for regulatory framework development.
National experts on data collection, organization and analysis	<p>Identification of main target areas (sites) and sources for collection of data in accordance with the rapid assessment: i) coal-fired power plants; ii) cement production; iii) mining and other metallurgical activities; iv) mercury mining; v) small-scale gold and silver mining; vi) chloral-alkali production; vii) fluorescent lamps, manometers, thermometers; viii) manufacturing of products containing mercury; and ix) waste (including medical waste) incineration;</p> <ul style="list-style-type: none"> - Selection of methodology for the collection and analysis of data under each mercury source identified; - Collection of data and analysis; - Review of the rapid assessment of sources and validation (or expansion) of the list in accordance with collected data.
Environmental economist	<ul style="list-style-type: none"> - Conduct the cost benefit analysis for the mainstreaming activity; - Develop Socio-Economic Study on ASGM - Coordinate the mainstreaming activities between involved institutions - Develop the final report on Mainstreaming
Social assessment specialist	<ul style="list-style-type: none"> - Conduct the analysis of the current social situation with mercury contaminations, short- and long-term consequences of joining the Minamata Convention - Coordinates social aspects of mainstreaming activities, including gender issues - Develops the report on social aspects of mainstreaming activities, including gender
International Expert	<ul style="list-style-type: none"> - Uses "Toolkit for identification and quantification of mercury releases" - Provision of technical advisory support (with missions) to the local team on the Minamata convention as the new MEA instrument, mercury sources, data organization, collection and validation process in each related sector/sub-sector; - Support to the national level consultations on the data analysis, national mercury profile formulation and priority setting processes for decision-making; - Provision of regulatory advisory support where needed with respect existing international benchmarks

Position Titles	Tasks to be performed
	- Provision of support to develop and analyze cost related to the implementation of the Convention and description of potential sources of funds, including existing bilateral sources

Annex 2. Risk analysis

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
<p><u>Political</u> Change of attitude to the Mercury problem among general public and decision makers</p>	<p>Medium</p>	<p>Moderately likely</p>	<p>Low</p>	<p>The project outputs have been identified, and project activities developed, in close collaboration with the Ministry of Ecology and Natural Resources and other government institutions and stakeholders.</p> <p>The project will further support a Mercury Initial Assessment to enable the Government of Azerbaijan to determine the national requirements and needs for ratification of the Minamata Convention and establish a sound foundation to undertake future work towards the implementation of the Convention.</p> <p>The project will also use every opportunity to disseminate information on mercury problems among general public.</p>
<p><u>Institutional</u> Difficulties in obtaining necessary data desegregated by sex.</p>	<p>Moderate</p>	<p>Low</p>	<p>Low</p>	<p>The project will work closely with different institutions and entities that collect data on different purposes and also cooperate with other initiatives that are supporting Ministry of Ecology and Natural Resources on Environmental Monitoring and Information System. Also Ministry of Ecology and Natural Resources will be supported to establish protocols of Information flow with different institutions serving to the project purpose.</p>

Annex 3. Azerbaijan GEF OFF endorsement letter

AZƏRBAYCAN RESPUBLİKASI
EKOLOGIYA VƏ TƏBİİ SƏRVƏTLƏR
NAZİRLİYİ



MINISTRY OF ECOLOGY
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REPUBLIC OF AZERBAIJAN

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№ 41145-01-03

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Ms. Adriana Dinu
UNDP/GEF Officer in Charge
304 East 45th Street, 9th Floor,
New York, NY 10017, USA

Subject: Endorsement for the GEF-6 Project: Azerbaijan: Strengthen national decision making towards becoming a Party to the Minamata Convention and build capacity towards implementation of future provisions.

Dear Ms. Dinu,

In my capacity as GEF Operational Focal Point for Azerbaijan, I confirm that the above project proposal is in accordance with our national priorities and our commitments to the relevant global environmental conventions.

I am pleased to endorse the preparation of the above project proposal with the support of the GEF Agency listed below. If approved, the proposal will be prepared and implemented by UNDP in partnership with other relevant national and international stakeholders. I request the GEF Agency to provide a copy of the project document before it is submitted to the GEF Secretariat for CEO endorsement.

The total financing (from GEFTF, LDCF, SCCF and/or NPIF) being requested for this project is US\$ 219,000, inclusive of project preparation grant (PPG), if any, and Agency fees for project cycle management services associated with the total GEF grant. The financing requested for Azerbaijan is detailed in the table below:

Source of Funds	GEF Agency	Focal Area	Amount (in US\$)			
			Project Preparation	Project	Fee	Total
GEFTF	UNDP	Chemicals	0.00	200,000	19,000	219,000
Total GEF Resources			0.00	200,000	19,000	219,000

Sincerely,

Hussein Baghirov

Minister
GEF Operational Focal Point