



United Nations Development Programme

Country: Azerbaijan

PROJECT DOCUMENT¹

Project Title: Preparation of Azerbaijan's Nationally determined contributions to the 2015 Agreement

UNDAF Outcome(s): 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

UNDP Strategic Plan:

<u>Primary</u> Outcome: Growth is inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded

<u>Secondary</u> Outcome: Development debates and actions at all levels prioritize poverty, inequality and exclusion, consistent with our engagement principles

Expected CP Outcome(s): Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change

Expected Output (s):

- 1. Azerbaijan's government agencies are enabled to actively participate in the UNFCCC negotiation process
- 2. Azerbaijan's INDC submission is produced through broadly owned consultative process

3.

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

Implementing Entity/Responsible Partners: UNDP

For UNDP supported GEF funded projects as this includes GEF-specific requirements

Brief Description

The project is designed to support Azerbaijan in the implementation of the decision taken by the UNFCCC COP 19 in November 2013. For the purpose, the project pursues two inter-related objectives: 1) to determine Azerbaijan's contributions to the post-2020 global climate agreement (INDCs); and 2) to reinforce Azerbaijan's participation and positioning in the UNFCCC negotiation process leading to the 2015 agreement. To accomplish these objectives, the project will support robust capacity building measures to ensure meaningful contributions from all involved partners, as well as broad-based consultations with stakeholders to come to a consensus on the structure and content of the INDC in absence of clear guidelines from UNFCCC on INDC submissions.

Programme Period:	2011 -2015
Atlas Award ID:	00081963
Project ID:	00091069
PIMS#	5420
Start date:	September 2014
End Date:	September 2015
Management Arrangements	NIM with support services
PAC Meeting Date	14 August 2014

Total resources required	USD 160,000
Total allocated resources:	USD 160,000
Regular	
Other:	
o GEF	USD 150,000
 Government 	
o In-kind	
 Other 	
In-kind contributions	USD 10,000

Agreed by Government:

Date/Month/Year

Agreed by Executing Entity/Implementing Partner: Issa Alivev, UNFCCC National Focal Point

Date/Month/Year

Agreed by UNDP: Antonius Broek, Resident Representative

Date/Month/Year

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LIST OF ACRONYMS

ADB	Asian Development Bank
APR/PIR	Annual Project Report/Project Implementation Report
ATLAS QRP	ATLAS Quarterly Progress Report
BUR	Biennial Update Report
СОР	Conference of Parties
СРАР	Country Programme Action Plan
CPD	Country Programme Document
EA	Enabling Activities
EU	European Union
GEF	Global Environment Facility
GHGs	Greenhouse Gases
INDC	Intended Nationally Determined Contributions
M&E	Monitoring and Evaluation
MENR	Ministry of Ecology and Natural Resources
MRV	Measurement, Reporting and Verification
N/A	Not applicable
NAMA	Nationally Appropriate Mitigation Action
NFP	National Focal Point
NPD	National Project Director
NTL	National Team Leader
PMU	Project Management Unit
QA/QC	Quality Assurance/Quality Control
SBAA	Standard Basic Assistance Agreement

State Oil Company of Azerbaijan Republic
System of Transparent Allocation of Resources
Third National Communication
United Nations Development Programme
United Nations Framework Convention on Climate Change

SITUATION ANALYSIS

By international comparison, Azerbaijan is a small emitter of the greenhouse gases (GHG) responsible for only 0.1% GHGs (Source: World Resource Institute, www.cait2.wri.org) and emits less CO2 metric ton per capita than an average Upper Middle Income country (World Bank, www.data.worldbank.org). At the same time, Azerbaijan is an oil and gas producing country that relies on the traditional fossil fuel as the principal source of energy and its carbon intensity measured in metric tons per thousand US\$ is double of the world average (Source: US Energy Information Administration, www.eia.gov).

The Government of Azerbaijan has recognized the need to undertake measures addressing climate change and has placed mitigation and adaptation high on its national agenda. Azerbaijan joined the UN Framework Convention on Climate Change (UNFCCC) in 1995 and ratified the Kyoto Protocol on July 18, 2000. Azerbaijan has established a national inter-ministerial Commission on Climate Change chaired by the Deputy Prime Minister. The Ministry of Ecology and Natural Resources (MENR) has been designated the National Focal Point (NFP) for the UNFCCC and Kyoto Protocol.

Over the past decade, the Government has mainstreamed climate change into the key national and sectoral programmes. Azerbaijan's long-term national development strategy identifies environment and climate change among top priorities and sets the ambitious target of "bring[ing] the amount of energy used for the production of one unit of GDP and the amount of carbon dioxide in line with the appropriate indicator of member countries of the Organization for Economic Cooperation and Development". In addition, Azerbaijan is working on a number of sectoral programmes that support implementation of mitigation and adaptation activities including State Programme on Renewable and Alternative Energy Sources, a new Forestry Programme and State Programme on Poverty Reduction and Sustainable Development. These efforts are complemented by the business players of which largest is the State Oil Company of Azerbaijan Republic (SOCAR) that has recently adopted its Climate Change Mitigation Strategy.

In addressing the complex challenges related to climate change in its domestic policy as well as in the international negotiation process, Azerbaijan is cooperating with international organizations, in particular Asian Development Bank (ADB), the European Union (EU) and UNDP. ADB support the project on strengthening national capacities in forecasting emissions in energy and transport sectors. EU supports DG Climate Action project that provides a platform for dialogue on climate policy with the Eastern partner countries. Some examples of UNDP – implemented projects include: 1) TNC/BUR; 2) Sustainable Land and Forest Management; 3) Clima East pilot projects on ecosystem-based approaches to climate change (EU ClimaEast); 4) Clima East Policy Project on Support to Climate Change Mitigation and Adaption in the Eastern Neighborhood countries and Russia; 5) Nationally Appropriate Mitigation Actions (NAMAs) for Low-carbon End-Use Sectors in Azerbaijan.

The most recent Conference of Parties (COP) held in Warsaw in November 2013, took decision on "Intended Nationally Determined Contributions" (INDCs). The decision (Dec.1/CP19) invited "all Parties to initiate or intensify domestic preparations for their intended nationally determined contributions, without prejudice to the legal nature of the contributions, in the context of adopting a protocol, another legal instrument or an agreed outcome with legal force under the Convention for the period post 2020 applicable to all Parties towards achieving the objective of the Convention as set out in its Article 2 and to communicate them well in advance of the twenty-first

session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended contributions, without prejudice to the legal nature of the contributions."

This decision of the COP does not provide any further guidance or information on INDCs. However, past experience during the AWGLCA and national processes relating to low emission and climate resilient development provide a starting point to develop them. Precedents under the Convention and its Kyoto Protocol may be used by some countries to guide their own process as well as expectations about the contributions of other countries.

In the absence of specific financial support mechanisms to non-Annex I Parties for the initiation and/or intensification of domestic preparations for INDCs, countries have been informed that their GEF STAR allocations can be used in order to engage the country in the exercise of identifying, consulting, preparing, and communicating INDCs in advance of the COP21, and no later than the first quarter of 2015.

This project document proposes to support Azerbaijan in the preparation of their INDCs during 2014-2015, leading to COP21. This project will be closely linked with the ongoing efforts of the government of Azerbaijan to address climate change, to ensure a coherent policy framework and actions. Therefore, it is proposed that the MENR will be the implementing partner of the project.

STRATEGY

The project will pursue two objectives:

- 1) To determine Azerbaijan's contributions to the post-2020 global climate agreement (INDCs);
- To reinforce Azerbaijan's participation and positioning in the UNFCCC negotiation process leading to the 2015 agreement.

The project is fully aligned with the current United Nations Development Assistance Framework (UNDAF) and contributes to the UNDAF 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. The project supports achievement of the UNDP Country Programme Outcome 1.3 "Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change".

The project is in line with the GEF's climate change mitigation objective (SO-6) under GEF 3: Enabling Activities: Support enabling activities and capacity building under the Convention. The Outcome is: Completed climate change enabling activities under the UNFCCC.

The project will have two outcomes. The first outcome will strengthen the capacities of the respective national entities to participate in the UNFCCC negotiations, while the second outcome will support analytical work for

formulation of the INDCs², and production of the report. The accomplishment of the project objectives will require robust capacity building measures to ensure meaningful contributions from all involved partners, as well as broad-based consultations with stakeholders to come to a consensus on the structure and content of the INDC in absence of clear guidelines from UNFCCC on INDC submissions.

Outcome 1. Azerbaijan's government agencies are enabled to actively participate in the UNFCCC negotiation process

Under this outcome, the project will help to sensitize, mobilize and increase specific capacities of Azerbaijan's government agencies to participate in and contribute to the UNFCCC negotiation process. This outcome will be achieved through two outputs:

Output 1.1 General awareness and understanding of the climate change negotiations has increased

Output 1.2 Specific capacity needs in relation to the UNFCCC negotiations are identified and addressed

Output 1.1 General awareness and understanding of the climate change negotiations has increased

This output is designed to ensure that all relevant stakeholders have the same understanding of the UNFCCC negotiations process, key policy debates and Azerbaijan's contribution to the 2015 – agreement.

The indicative activities will include:

- Awareness raising session for key stakeholders to improve understanding of the context, content and objectives of the climate change negotiations;
- Sensitization session for key stakeholders to improve understanding of the relevance and implications of the 2015 agreement for Azerbaijan
- Experience sharing with other countries on the INDC formulation process

Output 1.2 Specific capacity needs in relation to the UNFCCC negotiations are identified and addressed

This output will support country tailor-made capacity building measures for national specialists that are expected to participate in the formulation of the INDCs.

The indicative activities will include:

² It is expected that the INDCs will be formulated along the lines of Communication of intended nationally determined contributions of Parties in the context of the 2015-agreement, Ad Hoc Working Group on the Durban Platform for Enhanced Action, Draft text on ADP 2-5 agenda item 3. Implementation of all the elements of decision 1/CP.17

- Capacity assessment conducted and specific capacity gaps identified;
- A series of technical/specific trainings on selected topics of high relevance to Azerbaijan in the context of the UNFCCC negotiations

Outcome 2. Azerbaijan's INDC submission is produced through broadly - owned consultative process

This outcome will support policy analysis in areas covered by INDCs (mitigation, adaptation, support), broad-based consultations/discussion of policy options with key stakeholders and development of the INDC submission.

This outcome will achieved through two outputs:

Output 2.1 Azerbaijan's policy -makers are better prepared to formulate evidence based INDCs

Output 2.2. INDC report is produced

Output 2.1. Azerbaijan's policy – makers are better prepared to formulate evidence-based INDCs

This output will involve analysis of Azerbaijan's mitigation potential and options for adaptation measures in the most vulnerable sectors (such as agriculture, forest ecosystems, water resources, coastal areas etc.) and will involve specialists trained under outcome 1. It will produce policy options paper on Azerbaijan's GHG mitigation potential and adaptation measures. The output will also support development of recommendations on how to further strengthen Azerbaijan's technical capacities for implementation and establish a solid monitoring system to assess the progress towards achievement of the INDCs.

The indicative activities will include:

- Stocktaking and desktop review of available data and analysis on mitigation, vulnerability and adaptation under various scenarios;
- Preparation of the draft paper with policy options;
- Broad-based discussions of the policy options paper with policy-makers and national experts;
- Finalization of the policy options paper;
- Development of the recommendations on capacity building support required for INDC implementation (such as finance, technology, capacity building);
- Development of a proposal on INDC monitoring mechanism and framework.

Output 2.2 INDC report is produced.

This output will support the process of developing the draft INDC submission taking into consideration the conclusion of the policy options paper (produced under output 1.2) as well as insights from all relevant stakeholders.

Indicative activities will include:

- Establishment an inter-ministerial task force to steer the INDC preparation process and ensure broadbased national ownership of the process;
- Drafting of the INDC report;
- Presentation of the draft INDC for review and feedback;
- Finalization of the INDC and submission to the UNFCCC.

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PROJECT RESULTS FRAMEWORK:

This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD: Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change

Country Programme Outcome Indicators:

Indicator: 1.3.1: Carbon intensity of economy (greenhouse gas emissions per unit of output)

Baseline: 2008: 849.3 tons CO2 per US\$ 1 million

Target: Reduce by at least 2%

Applicable UNDP Strategic Outcomes:

UNDP Strategic Plan

Primary Outcome: Growth is inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded Secondary Outcome: Development debates and actions at all levels prioritize poverty, inequality and exclusion, consistent with our engagement principles

Applicable GEF Strategic Objective and Program: Enabling Activities: Support enabling activities and capacity building under the Convention

Applicable GEF Expected Outcomes: National communications completed and submitted to the UNFCCC as appropriate

Applicable GEF Outcome Indicators:

Adequate resources allocated to support enabling activities under the Convention Indicator: Percentage of eligible countries receiving GEF funding

- Human and	institutional capacit	Human and institutional capacity of recipient countries strengthened	es strengthened	Indicator: Countries and institutions supported by GEF	and institutions supported	d by GEF
	Outputs and Activities	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Project Objective ³ (equivalent to output in ATLAS)		INDC prepared and timely submitted – Yes/No	Azerbaijan has not prepared its INDC submission	Azerbaijan has not Azerbaijan's INDC endorsed prepared its INDC and submitted submission	Project progress report	There a strong political will at the high level to participate in the climate change negotiations
To determine					UNFCCC documentation	

³ Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR

Azerbaijan's contributions to the post-2020 global climate agreement (INDCs) and to reinforce Azerbaijan's participation and positioning in the UNFCCC negotiation process leading to the 2015 agreement Outcome 1 ⁴	Output 1.1	Number of stakeholders benefiting from	Most national entities have low level of awareness	Increased understanding of the global climate change negotiations	Post-training evaluation	There is a high interest on the part of stakeholders to get involved in the process
activity in ATLAS) Azerbaijan's government agencies are enabled to actively participate in the UNFCCC negotiation process	General awareness and understanding of the climate change negotiations has increased Activities: • Awareness raising session for key	the awareness raising and trainings	on UNFCCC negotiations; there are technical capacity gaps among national experts	Increased expertise on selected technical issues	Project progress reports	

⁴ All outcomes monitored annually in the APRPIR. It is highly recommended not to have more than 4 outcomes.

stakeholders	to improve	understandin	g of the	context,	content and	objectives of	the climate	change	negotiations;	Ĕ	session for	key	stakeholders	to improve	understandin	g of the	relevance and	implications	of the 2015	agreement for	Azerbaijan	Experience	sharing with	other	countries on	the INDC	formulation	process		Output 1.2	caba

consultative			adantation	produced		
process			completed has			
Piocess	Activities:		completed but insufficient to			
			define INDCs			
	 Stocktaking 					
	and desktop					
	review of					
	available data	Recommendations	There are no			
	and analysis	on capacity	recommendations			
	on mitigation,	building and	on capacity	Key capacity gaps identified	Recommendations	
	vulnerability	monitoring	building for	and capacity building	report	
	and	framework –	implementation	measures including external		
	adaptation	Yes/No	of INDCs	support identified		
	under various					
	scenarios;					
	Preparation of	Inter-ministerial	MENR initiated			
	the draft	task force	establishment of		Government	
	paper with	established –	task force	Task Force is fully functional	decree	
	policy	Yes/No			9	
	options;				Minutes of the	
	7		Azerbaijan has not		meetings	
		INDCecuhmiceion	defined INDCs			
	ISSI	INDES SUBILISSION				
	the policy	produced –			0000	
	options paper	Yes/No		INDC submission developed on	UNFCCC records	
	with policy-			time		
	makers and					
	national					
	experts;					
	• Finalization of					
	the policy					
	options					
	paper;					
	Development					

TOTAL BUDGET AND WORKPLAN

Award Title: Preparation Business Unit: AZE10	Preparation of Azerbaijan's Nationally determined contributions to the 2015 Agreement	./6/200600	SOLETION
		mined contributio	ons to the 2015 Agreement
	Preparation of Azerbaijan's Nationally determined contributions to the 2015 Agreement	mined contributio	ons to the 2015 Agreement
PIMS no. 5420			
Implementing Partner			
(Executing Agency) MENR			

GEF Outcome/Atlas Activity	OUTCOME 1:	Azerbaijan's government	agencies are enabled to actively	participate in the UNFCCC	negotiation process		OUTCOME 2:	Azerbaijan's INDC
Responsible Party/ Implementing Agent			MENR				MENR	
Fund ID				62000				
Donor				GEF				
Atlas Budgetar y Account Code	71300	71400		71200	71600			
ATLAS Budget Description	Local Consultants	Contractual services - Individual	Training, workshops	Miscellaneous	sub-total GEF	Total Outcome 1	International Consultants	Travel
Amount Year 2014 (USD)	\$ 10,000	\$ 5,000	\$ 2,000	\$ 1,000	\$ 18,000	\$ 18,000	\$ 5,000	\$ 3,000
Amount Year 2015 (USD)	\$ 5,000	\$ 5,000	\$ 2,000	\$ 1,000	\$ 13,000	\$ 13,000	\$ 7,000	\$ 3,000
Total (USD)	\$ 15,000	\$ 10,000	\$ 4,000	\$ 2,000	\$ 31,000	\$ 31,000	\$ 12,000	\$ 6,000
See Budget Note:	4	В	U	Q			ш	L.

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor	Atlas Budgetar y Account Code	ATLAS Budget Description	Amount Year 2014 (USD)	Amount Year 2015 (USD)	Total (USD)	See Budget Note:
submission is produced through				71300	Local Consultants	\$ 14,000	\$ 30,000	\$ 44,000	٨
broadly – owned consultative				71400	Contractual services – Individual	\$ 10,000	\$ 10,000	\$ 20,000	æ
process				75700	Trainings, workshops	\$ 8,000	\$ 8,000	\$ 16,000	U
			3 ML 3 GO	74500	Miscellaneous	\$ 2,364	\$ 3,000	\$ 5,364	D
					sub-total GEF	\$ 42,364	\$ 61,000	\$ 103,364	
					Total Outcome 2	\$ 42,364	\$ 61,000	\$ 103,364	
MONITORING, &		62000	GEF	71200	International Consultants	v,	\$ 2,000	\$ 2,000	g
EVALUATION	MENR				sub-total GEF	*	\$ 2,000	\$ 2,000	
					Total M&E		\$ 2,000	\$ 2,000	
				71400	Contractual services - Individual	\$ 4,000	\$ 8,000	\$ 12,000	I
PROJECT MANAGEMENT UNIT	MENR	62000	GEF	74599	UNDP cost recovery chrg - Bills	\$ 600	\$ 1,036	\$ 1,636	-
					sub-total	\$ 4,600	\$ 9,036	\$ 13,636	
					Total Management	\$ 4,600	\$ 9,036	\$ 13,636	
					PROJECT TOTAL	\$ 64,964	\$ 85,036	\$ 150,000	

Summary of Funds: ⁵

	Amount	Amount	
	Year 1	Year 2	Total
GEF	\$ 64,964	\$ 85,036	\$ 150,000
Government MENR (in-kind)	\$ 3,000	\$ 7,000	\$ 10,000
TOTAL	\$ 67,964	\$ 92,036	\$ 160,000

Budget Notes:

ITEMS	DESCRIPTION
A	Cost of local short – term consultants providing technical contributions
B	Cost of full-time National Team Leader
U	Cost of rent of premises, equipment, interpretation, catering services for trainings, workshops, consultations
D	This will cover office supplies, bank charges, communication expenses
ш	The cost involves support of international expert in absence of clear guidelines for NDC preparation
L.	Travel cost will cover two one-week missions of international experts and home-based support
_o	The project will be part of the outcome evaluation by international consultant together with other projects contributing to the Energy and Environment outcome. Cost for evaluations will be borne by all projects dealing with climate change issues and savings are made.
H	This involved part of the cost for Project Assistant that will be cost-shared with other projects implemented by MENR.
-	Cost-recovery for support services (contracting, recruitment, payments etc) as per Universal Price List. (See Annex 4)

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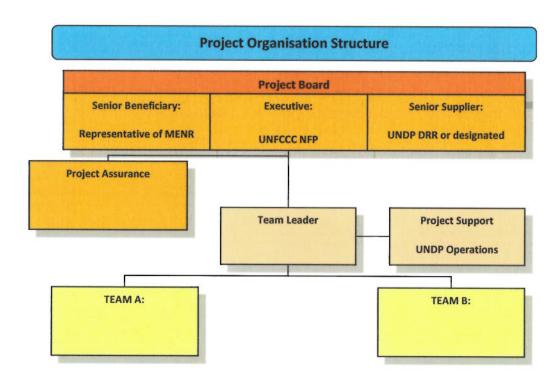
⁵ Summary table should include all financing of all kinds: GEF financing, cofinancing, cash, in-kind, etc...

MANAGEMENT ARRANGEMENTS

A. National Execution (NIM). The project will be nationally implemented by the Ministry of Ecology and Natural Resources (MENR). Implementation support will be provided by the UNDP Country Office (see Project Governance Arrangements below). In its capacity as Executing Entity/Implementing Partner, the MENR will be responsible for overall project management including facilitation of all project activities such as international consultant missions, trainings for respective staff, ensuring appropriate access to project sites, relevant data, records, agencies and authorities.

MENR will also be playing the role of national coordinator with other projects related to climate change policy to avoid overlapping and ensure synergies, where possible.

- B. <u>Project Governance Arrangements</u>. The project will have a governance structure, aligned with UNDP's rules for Results Based Management (see Figure: Project Governance Arrangements below).
- I. <u>Project Executive Board</u>. The Project Executive Board will be the executive decision making body for the project, providing guidance to the Project team, and approving project revisions. The Project Executive Board will consist of three members:
- The Executive (National Project Director) will convene the Project Executive Board. This position will be held by the UNFCCC Focal Point;
- The Senior Supplier. This position will be held by the UNDP DRR, or a designated UNDP Development Advisor;
- The Senior Beneficiary. This position will be held by the representative of the MENR.
- ii. <u>Project Management</u>. The project management function will be performed by the part time National Team Leader. He/she will be tasked with the day-to-day management of project activities, as well as with financial and administrative reporting. The Project Manager will be responsible for project implementation and will be guided by Annual and Quarterly Work Plans and follow the RBM standards. The Team Leader will be supported by the national and international experts to carry out technical works.
- iii. <u>Project Assurance</u>. UNDP will designate a Programme Advisor to provide independent project oversight and monitoring functions, to ensure that that project activities are managed and milestones accomplished.
- iv. <u>Project Support.</u> UNDP will provide financial and administrative support to the project including procurement, contracting, payments, and travel arrangements in accordance with the relevant UNDP Programme and Operational Policies and Procedures.



C. Project Inputs. The following inputs will be provided by MENR and UNDP in order for the successful implementation of project outputs and activities:

MENR inputs

- USD 10,000 contributed as an in-kind input including office premises and staff time;
- Free and functional office premises for project related activities and access to any information necessary for the project staff and consultants to complete their tasks.
- National Project Director for the project who is paid by the government for the entire duration of the project
- Administrative support for all project objectives;
- Coordination and provision of the support required from other Government entities;

UNDP inputs:

- US\$ 150,000 mobilized from GEF as a direct financial input to the project;
- Direct support for identification, selection and recruitment of International and National consultants;
- Support services for procurement, contracting and payments;
- Briefing for selected international and local consultants;
- Participation in the organization of training activities;

- Access to UNDP-managed global information systems, the network of UNDP country offices and specialized systems
 containing operations information, including rosters of consultants.
- Quality control over the project outputs.

D. Audit Arrangements

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

E. Other issues:

All project publications and other visual products should comply with UNDP publication policy.

MONITORING FRAMEWORK AND EVALUATION

The project will be monitored through the following M& E activities. The M& E budget is provided in the table below.

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) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) 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.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) 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 <u>Inception Workshop</u> 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 Managment 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.

Periodic Monitoring through site visits:

UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

End of Project:

During the last three months, the project team will prepare the <u>Project Terminal Report</u>. 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.

The project will be evaluated as part of the Country Programme Outcome Evaluation "Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change "

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 though 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.

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://intra.undp.org/coa/branding.shtml.

Full compliance is also 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.

Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

M& E workplan and budget

Type of M&E activity	Responsible Parties	Budget US\$ Excluding project team staff time	Time frame
Inception Workshop and Report	Project ManagerUNDP CO, UNDP GEF	Indicative cost: 7,000	Within first two months of project start up
Measurement of Means of Verification of project results.	 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 output and implementation	 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	 Project manager and team UNDP CO UNDP RTA UNDP EEG 	None	Annually
Periodic status/ progress reports	Project manager and team	None	Quarterly

Type of M&E activity	Responsible Parties	Budget US\$ Excluding project team staff time	Time frame
Mid-term Evaluation	 Project manager and team UNDP CO UNDP RCU External Consultants (i.e. evaluation team) 		At the mid-point of project implementation. Not applicable for EA projects.
Outcome Evaluation	 Project manager and team, UNDP CO UNDP RCU External Consultants (i.e. evaluation team) 	Indicative cost: 2,000	At least three months before the end of project implementation
Project Terminal Report	 Project manager and team UNDP CO local consultant 	0	At least three months before the end of the project
Audit	UNDP COProject manager and team	Subject to UNDP internal audit.	Yearly
Visits to field sites	 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 sta	ff time and UNDP staff and travel expenses	US\$ 7,000 (+/- 5% of total budget)	

LEGAL CONTEXT

This document together with the Country Programme which is incorporated by reference constitute together a Project Document as referred to in the SBAA singed on 6 January 2001, and all CP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, 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.

The implementing partner shall:

- a) 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;
- b) 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 this agreement.

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 http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or subagreements entered into under this Project Document.

ANNEXES

Annex 1. Risk Analysis.

Annex 2. Letter of Endorsement

Annex 3. Terms of Reference for Key Project Personnel

Annex 4. Agreement on Support Services

ANNEX 1. RISK LOG

#	Description	Date	Туре	Impact &	Countermeasures /	Owner
		Identified		Probability	Mngt response	
1	There is limited timeframe allocated for the formulation of the INDCs, especially in the absence of clear UNFCCC guidelines	14 July 2014	Operational	May lead to delay in INDC submission P = 4 I = 5	In absence of guidelines, local national experts will be supported by international expertise	Project Manager
2	There is limited understanding and participation of the state agencies other than MENR in the UNFCCC consultation process	14 July 2014	Organizational	This may result hamper effective delivery of project outputs and incomplete information on INDCs. P = 3 I = 4	The project will support broad-based consultations and awareness raising workshops to ensure meaningful contributions from all relevant stakeholders	Project Manager
3	There is a lengthy process of approval of official country submissions	14 July 2014	Regulatory	INDC report may not be approved on time. P = 3 I = 5	UNDP and MENR will jointly advocate for the soonest approval of INDC.	Project Manager

AZƏRBAYCAN RESPUBLİKASI EKOLOGİYA VƏ TƏBİİ SƏRVƏTLƏR NAZİRLİYİ



MINISTRY OF ECOLOGY AND NATURAL RESOURCES OF REPUBLIC OF AZERBAIJAN

Az 1073 Azərbaycan, Bakı, B. Ağayev Küç, 100A Tel: (994] 2) 492-59-07, Faks (99412) 492-59-07

B. Aghayev Str: 109A, Az16~3 Baku, Azerbaijan Tel: (99112) 492-59-07, Fax (99112) 492-59-07

Nº 4/503-01-08

«18» 03 20°4 il

Ms. Adriana Dinu United Nations Development Programme 304 East 45th Street, New York, NY 10017 USA

Subject: Endorsement for Nationally Determined Contributions to the 2015 Agreement under the UNFCCC Umbrella Project

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 priorities and commitment to the UNFCCC; and was discussed with relevant stakeholders.

I am pleased to endorse the preparation of the above project proposal with the support of UNDP. If approved, the relevant portion of the proposal will be prepared and implemented by the Ministry of Ecology and Natural Resources.

The total financing being requested for Azerbaijan's portion within this project is US\$164,250, inclusive of 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	GEF	Focal	Amount (in US dollars)				
Funds	Agency	Area	Project Preparation	Project	Fee	Total	
GEF Trust Fund	UNDP	Climate Change	0	150,000	14,250	164,250	
Total GE	F Resource	28	0	150,000	14,250	164,250	

I consent to the utilization of Azerbaijan's allocations in GEF-5 as defined in the System for Transparent Allocation of Resources.

My hun

Sincerely,

Hussein Baghirov Minister

Annex 3. Terms of Reference for Key Project Personnel

National Project Director

The National Project Director (NPD) is the focal point for responsibility and accountability in a national executing agency for this project. The NPD is a a staff member of the executing agency and is not paid from the project funds.

His/her primary duties and responsibilities are:

- Act as the focal point and responsible party for the project in the Government executing agency;
- Ensure that all Government inputs committed to the project are available to the project;
- Ensure that the National Team Leader is empowered to carry out the management of the project;
- · Represent the project at meetings of the parties to the project agreement;
- Provide assistance in the coordination of project activities that involve other agencies of Government.

National Team Leader

The National Team Leader (NTL) assumes overall responsibility for the successful implementation of project activities and the achievement of planned project outputs. The NTL reports to UNDP and the NPD at the Ministry of Ecology and Natural Resources.

He/she oversees the day-to-day implementation of the project and is in charge of the Project Management Unit.

DUTIES AND RESPONSIBILITIES OF THE NATIONAL TEAM LEADER:

- Ensure timely and effective transformation of project inputs into project outputs;
- · Ensure adherence of the INDC formulation process to the project's work plan;
- Be responsible for the daily management of the project both organizational and substantive matters;
- Ensure adequate information flow, discussions and feedback among the various stakeholders of the INDC process;
- Act as head of the INDC Project Management Unit and supervise the work of PMU staff and local consultants;
- Prepare detailed project work plans and monitor their observance;
- Ensure the timely execution of assignments undertaken by the working groups, national consultants and other subcontractors:
- Act as Secretary of the Project Steering Committee;
- · Facilitate the timely hiring of national consultants and subcontractors and draft their terms of reference;
- Participate in the identification and selection of project personnel and consultants, in coordination with the Ministry of Ecology and Natural Resources and UNDP;
- Guide the work of consultants and subcontractors and oversee compliance with the agreed work plan;
- Facilitate the brainstorming and cooperation within and among the project's working groups, the various project
 consultants and stakeholders in order to achieve a holistic approach and cross-sector thinking;

- Conduct consultations with project stakeholders at the national, regional, and local level, including but not limited to stakeholders surveys and workshops;
- Ensure appropriate stakeholder participation in the INDC formulation process;
- Participate in and contribute to all project workshops;
- Undertake any other actions related to the Project as requested by UNDP or the National Project Director;

QUALIFICATIONS AND SKILLS

- Minimum Masters Degree in the field of environment protection and management, sustainable human development or related; specialization in climate change is desirable.
- Outstanding communication, project management and organizational skills.
- At least 5 years of experience in development cooperation and project management.
- Familiarity with the working environment and professional standards of international organizations.
- Working experience with the national institutions involved in climate change. Familiarity/exposure to the global climate change negotiation process will be an asset.
- Experience in working with the broad range of stakeholder and with participatory approaches.
- Computer literacy. Knowledge of English will be an asset.

Project Assistant

The Project Assistant (PA) assists with the project's day-to-day activities. The PA is responsible for all administrative (contractual, organizational and logistical) and all accounting (disbursements, record-keeping, cash management) matters under the project.

Duties and responsibilities of the Project Assistant

- Organize all PMU initiated events (workshops, working group meetings, stakeholder consultations, etc.)
- Compile and/or prepare the documentation necessary for the procurement of services, goods and supplies under the
 project;
- Prepare payments requests to UNDP;
- Prepare the project's Financial Reports as required by UNDP/NEX guidelines;
- Maintain the project's files and payments supporting documentation in impeccable order;
- Provide logistical support to the National Team Leader and project consultants, as required;
- · Ensure that financial and reporting requirements of UNDP and the national legislation, where relevant, are adhered to;
- Provide general administrative support to ensure the smooth running of the PMU;
- Draft correspondence and documents; finalize correspondence of administrative nature; edit reports and other documents for correctness of form and content;
- · Provide oral interpretation and written translation as required;
- Act on telephone inquiries, fax, post and e-mail transmissions, and co-ordinate appointments;
- Arrange duty travel;
- Undertake any other actions under the project as requested by the Project Coordinator;

QUALIFICATIONS AND SKILLS

University degree required.

At least 2 year of experience in project management, preferably with an international organization

Fluency in written and spoken English and Azeri.

Ability to cope with spreadsheets and book-keeping skills.

Excellent computer literacy (Word, Excel, Internet, PowerPoint).

Outstanding time-management, organizational and inter-personal skills.

ANNEX 4. LETTER OF AGREEMENT ON SUPPORT SERVICES

LETTER OF AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND

THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN

FOR THE PROVISION OF SUPPORT SERVICES

- 1. Reference is made to consultations between officials of the Government of Azerbaijan (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for UNDP programmes and projects executed by the designated national entities. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.
- 2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
- The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
 - (a) Identification and/or recruitment of project and programme personnel; whereas national project personnel is solely responsible for all taxation or other assessments on all remuneration derived from UNDP. UNDP will not make any withholding from payments for the purposes of income tax. Consultations with the local tax authorities in relation to taxes shall be the sole responsibility of the national project employee. UNDP is exempt from any liabilities regarding taxation and will not reimburse any such taxation to the national project employee. UNDP reserves the right to request proof of payment of taxes by the national project employee, in case of a request UNDP will provide the Government with the names of the national project employees in the country and general information on pay scales;
 - (b) Identification and facilitation of training activities;
 - (c) Procurement of goods and services;
 - (d) Other project-related workplan based support services as specified through an exchange of letters between UNDP and the designated national entity.
- 4. The procurement of goods and services and the recruitment of project and programme personnel for nationally-executed UNDP programmes and projects by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. In cases where procurement and recruitment is done by the Government national regulations, rules, policies and procedures shall apply. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP Resident Representative and the designated institution.
- 5. The relevant provisions of the Standard Basic Assistance Agreement between the Government of the Republic of Azerbaijan and the United Nations Development Programme of 5 January, 2001 (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall the responsibility for the nationally managed programme or project through its designated institution. The responsibility of the UNDP country office for the provision of the

- support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document or project document.
- 6 Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
- 7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme support document or project document.
- The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
- Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
- 10. If the provisions set forth above are agreed upon, the two copies of the Letter of Agreement will be signed. Upon signature, this letter shall constitute an agreement between the Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Abid Sharifox
For the Government of the Republic of Azerbaijan

15.02.2010

Bruno Pouezat

Bruno Pouezat Signed on behalf of UNDP

15/02/2010

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

Reference is made to consultations between Ministry of Ecology and Natural Resources, the institution designated by the Government of the Republic of Azerbaijan and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed project **Preparation of Azerbaijan's Nationally determined contributions to the 2015 Agreement,** Award ID: 00081963, Project ID: 00091069.

- 1. In accordance with the provisions of the letter of agreement signed on 15 February 2010 and the Project Document, the UNDP country office shall provide support services for the Project as described below.
- 2. Support services to be provided:

Support services (insert	Schedule for the provision	Cost to UNDP of providing	Amount and method
descriptions)	of the support services	such support services (where appropriate)	reimbursement of UNDP (where appropriate)
1.Procurement services	As needed	As per the UPL or actual cost	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
2. Financial services	Continuously	As above	As above
3. Project personnel selection and recruitment services	As needed	As above	As above
4. Consultant selection and recruitment	As needed	As above	As above
5. Service contract management	As needed	As above	As above
6. Visa support services	As needed	As above	As above
7. Travel support services including ticket booking and purchase	As needed	As above	As above
8. Hotel reservation	As needed	As above	As above
	Total:	USD 1,636	

4. Description of functions and responsibilities of the parties involved.

According to the project document and SOPs.

SIGNATURE PAGE

Country: Azerbaijan

UNDAF Outcome (s)/Indicator (s):

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

CPAP Outcome (s)/Indicator (s): n/a⁶

CPAP Output (s)/indicator (s): n/a

Executing Entity/Implementing Partner:

Ministry of Ecology and Natural Resources

Implementing entity/Responsible Partner

UNDP

	
Programme Period:	2011-2015
Atlas Award ID;	00081963
Project ID:	00091069
PIMS#	5420
Start date:	September 2014
End Date	September 2015
Management Arrangements	NIM with support services
PAC Meeting Date	14 August 2014

Total resource	es required	USD 160,000
Total allocated	d resources:	USD 160,000
RegularOther:		
o GEF		USD 150,000
٥	Government	
0	In-kind	USD 10,000
0	Other	

Agreed by Government:

NAME

SIGNATURE

Date/Month/Year

Agreed by Executing Entity/Implementing Portner:

NAME

SIGNATURE

Date/Month/Year

Agreed by UNDP: Antonius Broek, Resident Representative

NAME

SIGNATURE

Date/Month/Year

⁶ Azerbaijan is non-CPAP country.