

FACSIMILE TRANSMISSION



United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY (GEF)



To: Mr. Kenneth King
Assistant Chief Executive Officer
GEF Secretariat

Date: 29 May 1998

Mr. Lars Vidaeus, Chief
Global Environment Div.
World Bank

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GEF Executive Coordinator
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Pages: (14 including this sheet)

From: Rafael Asenjo
Executive Coordinator

Subject: PDF A Medium-Sized Grants - Georgia: Arid and Semi-Arid Eco-System Conservation in the Caucasus; UZBEKISTAN: Establishment of Nuratau-Kyzylkum Biosphere Reserve as Model for Biodiversity Conservation in Uzbekistan

Please find attached for your review two Medium-Sized Grants PDF Block A requests entitled "GEORGIA: Arid and Semi-Arid Eco-System Conservation in the Caucasus, UZBEKISTAN: Establishment of Nuratau-Kyzylkum Biosphere Reserve as Model for Biodiversity Conservation in Uzbekistan".

We would appreciate receiving your comments no later than c.o.b. Friday 5 June 1998.

Thank you.

GEF Project Preparation and Development Facility (PDF-A)

PART I - ELIGIBILITY	
1. PROJECT NAME: Arid and Semi-Arid Eco-system Conservation in the Caucasus	2. GEF IMPLEMENTING AGENCY: United Nations Development Programme (UNDP)
3. COUNTRIES IN WHICH THE PROJECT IS TO BE IMPLEMENTED: Georgia	4. COUNTRIES' ELIGIBILITY: Ratification of CBD in 1994
5. GEF FOCAL AREA: Biodiversity	6. OPERATIONAL PROGRAM/SHORT-TERM MEASURE: Arid and Semi-Arid Eco-systems
7. PROJECT LINKAGE TO NATIONAL PRIORITIES, ACTION PLANS, AND PROGRAMS: <p><i>National Priorities.</i></p> <p>In the early nineties and as part of the establishment of a Protected Areas System, the Government of Georgia supported research to identify the most sensitive eco-systems. The following priority areas were identified:</p> <ol style="list-style-type: none"> 1. High Mountains-The Great Caucasus Ridge and Caucasus Minor 2. Semi-Arid Zone-The Iori Plateau in the south-east of the country 3. Wetlands-The Colkheti Lowlands near the Black Sea <p>Within these eco-systems, eight areas were selected and approved by Georgia's State Council in May 1992. These eight areas represent the highest national priority for the establishment of protected areas.</p> <p>The semi-arid zone (2) referred to above also represents one of the priority areas identified within the Biodiversity Country Study report (1996) and is the ecosystem which would be addressed by this project.</p> <p><i>Action Plans</i></p> <p>On the basis of the Biodiversity Country Study, the Government of Georgia is preparing a Biodiversity Strategy and Action Plan which will present actions for sustainable environmental management (presently being funded by GEF). Eight main thematic topics for action plans have been identified. The proposed project will be closely linked with five of them: Protected Areas, International Cooperation, Species and Habitats, Research and Monitoring and Public Information.</p> <p><i>Programmes</i></p> <p>This medium sized project will serve as a complementary component to an upcoming World Bank GEF project proposal "Biodiversity Conservation in Forests in the Georgian Caucasus". The latter proposal does not address aspects of biodiversity protection in aforementioned arid lands of the Caucasus.</p>	
8. STATUS OF NATIONAL OPERATIONAL FOCAL POINT REVIEW (dates) Submitted: July 1997 Acknowledged: Endorsed: October 1997	
9. PROJECT RATIONALE AND OBJECTIVES: <p>The area has been described as one of the most endangered in Georgia and is habitat for a large number of endemic and endangered species. It is characterized by various species typical of arid lands, and by many species atypical for such eco-systems. The zone also serves as winter shelter for certain migratory birds and mammals.</p> <p>Extensive overgrazing (resulting in widespread soil erosion) and intensive hunting have significantly affected animal species diversity in the region: Some species have severely declined or completely disappeared. The vast majority of plant and animal populations found in the area fall under different threatened status of IUCN Red List categories</p> <p><i>Socio-Economic Factors affecting Biodiversity:</i></p> <p>Despite the fact that a big part of the target area is practically uninhabited by humans, this region still falls under great pressure from economic activities. Livestock is driven here from the south central and north west areas of Georgia (as well as across the border from the north west of Azerbaijan and north east of Armenia) every winter. This cycle starts in the middle of September and the livestock remain in the area until early April.</p> <p>A brief assessment of the semi-arid zone within Georgia has revealed the existence of 72 shepherd encampments, each of them with an average of 2000 sheep, or an average of 12 animals/ha. The lawfully permitted maximum livestock density in this ecologically sensitive area is only four sheep per hectare, or one third of the current density use. The result is an alarming level of erosion</p>	

It is not surprising that as a result of overgrazing and subsequent erosion, sheep grazing areas are diminishing every year. Partly due to a lack of alternative sources of income, and partly because environmental education did not rank high among Soviet priorities, shepherds have little concern for erosion caused by overgrazing.

Hunting remains a second factor threatening wildlife. In some cases intensive hunting is the reason behind extinction (Red Deer, Persian Gazelle) or significant decreases in populations (Striped Hyena). Even though species like hyena are least hunted, due to sport hunting and habitat destruction, they are now critically endangered. The decline in the hyena population began at the beginning of the 1960s and has since been reduced by 80%. Many other species follow this trend.

Political factors influencing various alternative measures:

The semi-arid zone includes not only parts of Georgia but it extends to parts of Armenia and Azerbaijan as well. Many species migrate over these borders. Effective species preservation will be better achieved if collaboration mechanisms can be developed between the three countries. A feasibility study carried out by the proposer has shown that the Governments of the countries concerned, as well as NGOs and the general public, are ready and willing to cooperate on long-term environmental management. Further, these same stakeholders have agreed that Georgian counterparts are best placed to take a lead and initiate this programme since Georgia is the only politically neutral country in the affected area and has the most experience in the development of management plans for protected areas. In this respect the final project should include a component addressing the development of transboundary agreements between the three countries. Such agreements should identify cooperative measures to minimise the threats to this arid ecosystem and to develop compatible management plans for the conservation of the area's biodiversity

Rationale for the project:

To stop the rapid decline of biodiversity in this endangered semi-arid eco-system, there is a need for immediate intervention. Because the World Bank intends to submit a biodiversity conservation project in the Georgian Caucasus to the GEF, the proposer, UNDP and World Bank representatives held a series of co-ordination meetings in Tbilis (December 11-19, 1997). Furthermore, UNDP GEF and World Bank GEF representatives have met in Washington to discuss the aims of the individual projects and how best to ensure compatibility. It was concluded that since this medium-size project addresses only arid and semi-arid ecosystems and since the time frame for the implementation of the World Bank project by far exceeds that of this project, the objectives of the two projects are complementary to each other and are therefore both eligible for implementation.

Project objectives

The goal is to balance eco-system preservation and legitimate community needs by finding an optimal combination of development and environmental activities.

The main objective is to improve the protection of eco-systems in the arid zones of the Caucasus through:

- Preparation of baseline data on biodiversity in the context of the existing economic situation and socio-cultural traditions;
- Preparation of a management plan, not only for a protected area network, but also for potential alternative economic activities for local communities;
- Improved international and local community co-operation.
- Development of transboundary agreements with neighbouring countries sharing the arid and semi-arid ecosystems.

10. EXPECTED OUTCOMES:

1. Identification of potential protected areas in Georgia as well as transboundary extensions into neighbouring countries;
2. A management plan for the identified protected areas network in this semi-arid zone;
3. Promote incentives for not only economic activities compatible with habitat preservation and cultural traditions, but also for the mitigation of environmental impacts of grazing. Whenever possible, the management plan will rely on incentive alignment among different stakeholders;
4. And intergovernmental agreement between the countries concerned for the coordinated management of transboundary protected areas

11. PLANNED ACTIVITIES TO ACHIEVE OUTCOMES:

The definition of project activities will require the arranging of workshops, meetings, and consultations to ensure the project take into account the interests of all stake holders. However, some of the activities envisaged are the following:

- An ecological assessment intended to fill information gaps that currently impede the formulation of alternative wildlife management plans. Such an assessment should pay particular attention to the status of endemic and endangered species populations;

- A further assessment of current incentives or causes driving an unsustainable land use;
- A feasibility study of alternative income generating activities. The alternatives proposed should ensure a reduction of the current density use in the semi-arid area and be compatible with habitat preservation.
- An anthropological assessment of alternatives proposed so that they are not incompatible with local cultures or traditions;
- An interdisciplinary analysis of different combinations of size and shape of the Semi-Arid and Arid protected areas, to select cost-effective alternatives;
- The formulation of financial mechanisms able to provide support for a proper enforcement of the management plan, which may include, among other options, user taxes and the establishment of an environmental fund. It is further expected that the financing of the management plan may have to include provisions for compensation to local users, should they be required to forego current economic activities. (Close cooperation is envisaged with the World Bank, since similar activities are expected within the frame of their project)
- Training to improve local capacities in habitat preservation and management;
- The initiation of a public awareness campaign to highlight the actual benefits from habitat conservation supported by information and data collected by this project;

12. STAKEHOLDERS INVOLVED IN PROJECT:

The project intends to bring together representatives of the following communities and agencies of the neighboring countries concerned: farmers, local hunters and hunting unions, local NGOs, ecological tourism centers, local authorities, experts from academic institutions, ministries of environment and their local offices, agencies responsible for the protected areas and their local offices;

PART II – INFORMATION ON BLOCK A PDF ACTIVITIES

13. ACTIVITIES TO BE FINANCED BY THE PDF:

Fieldwork:

It is intended to fill information gaps and update data critical to the formulation of the project document. The severe economic crisis affecting the region impeded the continuation of data gathering. Fieldwork aims to obtain information necessary to draw up the finalized project document. Fieldwork will include a) update of information on endangered species and habitat; b) a socio-cultural and economic analysis of the main factors leading to non-sustainable land use in this area.

Workshop:

A workshop will involve local experts working in different fields. The information obtained through data gathering and fieldwork will be communicated, discussed and analyzed.

Meetings:

Meetings will be held with the different stakeholders, including representatives from neighboring countries, and will be carried out in two rounds: a) the first round of meetings will compile information on the concerns and interests of these parties in preservation of wildlife in the semi-arid zone. The results of the fieldwork and workshop will also be introduced and discussed. b) the second round of meetings will include the presentation of the draft project document to be submitted to the GEF.

Elaboration of Project Document:

Definition of baseline situation; Identification of cost-effective alternatives; Incremental cost assessment.

14. EXPECTED OUTPUTS AND COMPLETION DATES:

The expected output is a final project document ready to be presented to the GEF. The completion date is estimated at four months after disbursement of Block A funds.

15. OTHER POSSIBLE CONTRIBUTORS/DONORS AND AMOUNT:

WWF Conservation Program in Georgia: \$ 2000

16. TOTAL BUDGET AND INFORMATION ON HOW COSTS WILL BE MET:

Fieldwork for scientific and environmental reviews: \$ 2000 (*co-financing*)

Transportation and travel: \$8,722 (*GEF*)

Workshop: \$7,382 (*GEF*)

Personnel and consulting fees: \$6,040 (*GEF*)

Background documentation preparation: \$2,856 (*GEF*)

Subtotal: \$25,000

TOTAL: \$ 27,000

PART III – INFORMATION ON THE APPLICANT INSTITUTION

17. NAME:

18. DATE OF ESTABLISHMENT, MEMBERSHIP,

Noah's Ark Center for the Recovery of Endangered Species (NACRES)	AND LEADERSHIP: 1989: World Conservation Union (IUCN);
19. MANDATE/TERMS OF REFERENCE: Non-governmental, non-profit organization established to safeguard the increasing numbers of endangered species, to implement programs for wildlife conservation, and to promote public environmental awareness;	20. SOURCES OF REVENUE : Grants and donations
21. RECENT ACTIVITIES/PROGRAMS, IN PARTICULAR THOSE RELEVANT TO THE GEF:	
<i>Biodiversity Country Study Program (funded by UNEP)</i> After the ratification of CBD (1994) Georgia requested aid from the UNEP to carry out the BCSP. The Ministry of Environment of Georgia and UNEP mandated NACRES to implement the programme which was carried out from 1995-97	
<i>Biodiversity Strategy and Action Plan (funded by GEF; Implementation partner: World Bank)</i> A National Strategy and Action Plan for the Biodiversity conservation is being drawn up as a subsequent step of the Country Study. The programme began in 1997. NACRES continues to act as a local implementing agency along with two other local NGOs.	
<i>Monitoring of Endangered Mammals in Natural Reserves of Georgia (funded by WWF Switzerland)</i> The project concerns ecological assessment of populations of endangered carnivores as umbrella species of wildlife in the reserves of Georgia.	
PART IV - INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY	
22. PROJECT IDENTIFICATION NUMBER GEO/98/003	
23. IMPLEMENTING AGENCY CONTACT PERSON Mr. Anders Risberg, Programme Officer, UNDP Georgia	
24. PROJECT LINKAGE TO IMPLEMENTING AGENCY PROGRAM(S) Environmental Conservation and Management	

Comp	B/L	Description	Impl Agency	w/m	Total Input	w/m	1998 Input
10		Project Personnel					
	11	Int'l Experts & Consultants					
	11.51	Int'l Consultants			1,400		1,400
	11.99	Line Total		2	1,400	2	1,400
	13	Admin Support Personnel					
	13.01	Admin Support Personnel		3	1,200	3	1,200
	13.02	Transportation			3,400		3,400
	13.03	Translation			740		740
	13.99	Line Total			5,340		5,340
	15	Duty Travel					
	15.01	In-country Travel			1,800		1,800
	15.99	Line Total			1,800		1,800
	17	National Professionals					
	17.01	Project Coordinator		3	1,400	3	1,400
	17.02	National Consultants		1	1,300	1	1,300
	17.99	Line Total			2,700		2,700
	19	Component Total			11,240		11,240
30		Training					
	32	Group Training					
	32.01	Workshop			7,192		7,192
	32.99	Line Total			7,192		7,192
	35.01	Conference and Meetings			3,022		3,022
	35.99	Line Total			3,022		3,022
	39	Component Total			10,214		10,214
40		Equipment					
	45	Local Procurement					
	45.01	Equipment			1,500		1,500
	45.02	Operation and Maintenance			1,690		1,690
	45.99	Line Total			3,190		3,190
	49	Component Total			3,190		3,190
50		Miscellaneous					
	53	Sundries					
	53.01	Sundries			356		356
	53.99	Line Total			356		356
	59	Component Total			356		356
90	99	Budget Total					25,000



საგარეო ურთიერთობების მდივნის ადგილი
STATE CHANCELLERY OF GEORGIA

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Letter of Endorsement

To: Mr. Marco Borsotti
UN Coordinator,
UNDP Resident Representative
Tbilisi, Georgia

Tbilisi, April 7, 1998

From: Temur Basilia
Secretary of the FIAC,
Assistant to the President of Georgia
in the Economic Reforms Issues

Dear Mr. Borsotti,

According to the decision of the Foreign Investment Advisory Council under the President of Georgia (FIAC), as the GEF National Operational Focal Point in Georgia, I have an honor to endorse the submitting of the project proposal GEO/97/010/A/01/00 "Sustainable Conservation of Wildlife in the Semi-Arid Eco-systems of the Caucasus – Urgent Measures", requesting USD 25000 from the GEF project preparation and development facility (PDF – A).

I would like to avail myself of this opportunity to express my highest considerations to you.

Sincerely Yours,

Handwritten signature of Temur Basilia

Temur Basilia

RECEIVED ON *UNDP*
10 -04- 1998
NUMBER 272