



**PROJECT IDENTIFICATION FORM (PIF)**

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: GEF Trust Fund**

**PART I: PROJECT IDENTIFICATION**

<b>Project Title:</b>	Improving sustainability of PA system in desert ecosystems through promotion of biodiversity-compatible livelihoods in and around PAs		
<b>Country(ies):</b>	Kazakhstan	<b>GEF Project ID:</b>	4584
<b>GEF Agency(ies):</b>	UNDP	<b>GEF Agency Project ID:</b>	4855
<b>Other Executing Partner(s):</b>	Forestry and Hunting Committee of the Ministry of Agriculture	<b>Submission Date:</b>	Aug 5, 2011
		<b>Resubmission Date</b>	Sep 23, 2011
<b>GEF Focal Area (s):</b>	MFA (Biodiversity, Land Degradation)	<b>Project Duration:</b>	60 months
<b>Name of parent program:</b> For SFM/REDD+ <input type="checkbox"/>	NA	<b>Agency Fee:</b>	US\$ 436,400

**A. FOCAL AREA STRATEGY FRAMEWORK:**

Focal Area Objectives	FA Outcomes	FA Outputs	Indicative financing from relevant TF, (\$)	Indicative co-financing, (\$)
BD-1	Outcome 1.1 Improved management effectiveness of existing and new protected areas.	Output 1. New protected areas (number) and coverage (hectares) of unprotected ecosystems. Output 2. New protected areas (number) and coverage (hectares) of unprotected threatened species (number)	3,306,000	11,590,000
LD-3	Outcome 3.2 Good management practices in the wider landscape demonstrated and adopted by relevant economic sectors.	Output 1 Government agencies collaborating on SLM initiatives across sectors and at multiple scales	841,000	2,960,000
Project management cost			217,000	760,000
<b>Total project costs</b>			<b>4,364,000</b>	<b>15,310,000</b>

**B. PROJECT FRAMEWORK**

**Project Objective:** To enhance the sustainability of protected areas in globally important desert ecosystems by expanding their geographic coverage, promoting landscape approach and supporting biodiversity-compatible livelihoods in and around PAs, focusing on regions of Ile Balkhash and Southern Kazakh deserts.

Project Component	Grant type	Expected Outcomes	Expected Outputs	Financing from relevant TF, (\$)	Indicative co-financing, (\$)
1. PA system of Kazakhstan contains representative samples of desert and semi-desert ecosystems	TA	<p><b>Improved</b> bio-geographic coverage of PA system to include until 2017 an additional 1.9 million ha of the least represented desert and semi-desert ecosystems:</p> <ul style="list-style-type: none"> <li>- Mountain-and-valley deserts (in Ile-Balkhash region): up from current 5.2% to app. 8%</li> <li>- Southern Kazakh Deserts: up from 3.0% to app. 25%</li> </ul> <p><b>Improvement</b> in the management effectiveness of these areas (METT score increase by 25%).</p> <p><b>Enhanced conservation status</b> of desert and semi-desert ecosystems ensures stability of threatened and indicator species: [ref. Table Global Benefits in</p>	<p>1.1. Expansion of PAs coverage to protect under-represented ecosystems of the mountain-valley deserts and Southern Kazakh deserts which have high biodiversity significance:</p> <p>1.1.1. Establishment of, and setting up effective management for 3 new PAs covering 0.9 mln ha in Ile Balkhash region (mountain-valley desert type): PA boundaries delineated; PA infrastructure and equipment in place; PA human resources recruited and capacitated to manage the PAs; conservation management and research programs – establishing measures to address current and future threats including those from climate change.</p> <p>1.1.2. Expansion of and strengthening management for 3 PAs in Southern Kazakh deserts (Usturt and Kyzyl Kum deserts) by app. 1 mln ha: boundaries and management plans revised; PA management unit strengthened to cover functions over expanded areas.</p> <p>1.2 METT accepted as a widespread tool for gauging the effectiveness of PA functions and management for desert and semi-desert ecosystems;</p> <p>1.3 A system for enforcement of resource use regulations at key desert and semi-desert PAs in Ile Balkhash and Southern Kazakh region is in place: patrol units established and equipped with means for surveillance, interception, and prosecution; training patrol units and local communities on sustainable resource use practices and standing regulations, new resource use thresholds (ref. Output</p>	BD: 856,000	3,290,000

<b>Project Objective:</b> To enhance the sustainability of protected areas in globally important desert ecosystems by expanding their geographic coverage, promoting landscape approach and supporting biodiversity-compatible livelihoods in and around PAs, focusing on regions of Ile Balkhash and Southern Kazakh deserts.					
Project Component	Grant type	Expected Outcomes	Expected Outputs	Financing from relevant TF, (\$)	Indicative co-financing, (\$)
		<i>Section B.2 for list of species]</i>	3.2), incentives and penalties.		
2. Tools for landscape-level desert and semi-desert conservation planning and management are developed and implemented	Inv. & TA	<p><b>Landscape approach</b> to conservation ensures the complementarities of production activities with conservation in sensitive buffer areas and corridors, and prosecution of illegal activities at app. 4 mln ha of desert and semi-desert ecosystems.</p> <p><b>Non-deterioration of the landscape integrity and maintenance of ecosystem functions</b> of Ile Balkhash region by ensuring preservation and sustainable use of key ecosystem components (rangelands, wetlands, Tugai forests) [<i>ref. Table Global Benefits in Section B.2 for SLM benefits</i>]</p>	<p>2.1 Landscape-level management plans delivered and implemented at landscapes surrounding the expanded PAs in Ile Balkhash and Southern Kazakh desert regions (GEF BD 1 M + LD 0.841M – Inv.):</p> <p>2.1.1 Buffer zones and corridors defined,</p> <p>2.1.2 Administrative territorial plans finalized following agreement with land users; practices implemented to reduce threats to biodiversity i.e. regulation of water use and application of monoculture in the Ile Balkhash ecosystems and cattle management in Southern Kazakhstan.</p> <p>2.1.3 Species and habitat maintenance plans for buffer areas and corridors developed and implemented;</p> <p>2.1.4 Rehabilitation and sustainable management of degraded rangelands (85,000 ha), wetlands (2,000 ha), and Tugai forests (1,000 ha restored and 20,000 ha under sustainable management) in the Ile Balkhash basin and Usturt regions.</p> <p>2.2 Long-term biodiversity monitoring systems in place for targeted species and ecosystems (GEF BD funding 0.63M - TA):</p> <p>2.2.1 full biodiversity and landscape diversity inventories and ecosystem services valuation finalized;</p> <p>2.2.2 GIS biodiversity database and map layers produced for targeted ecosystems;</p> <p>2.2.3 Monitoring data quality protocols and institutional arrangements finalized and launched.</p>	BD: 1,630,000 LD: 841,000	6,260,000
3. Sustainable use of biodiversity by local communities in and around PAs	Inv. & TA	<p>A <b>40% reduction</b> in poaching and illegal logging at targeted PAs. PA administrations have tools to identify and implement a range of affordable <b>and sustainable alternative livelihood mechanisms</b> which engage local communities in management of PAs and bring additional income for them</p> <p><b>Raised social security and income</b> of local communities (exp. 10-15% rise in income compared to baseline).</p>	<p>3.1 Co-management arrangements with local communities piloted at target PAs, incl. joint PA Boards for planning and overseeing management, representing a forum for stakeholder participation in PA management.</p> <p>3.2 Sustainable biodiversity use management arrangements in place between PA administrations and local communities: thresholds set and incentives identified for resource use in and around PAs and informing PA and buffer zone management and work planning.</p> <p>3.3 Biodiversity micro-credit revolving facility set in partnership with PA units, Small Grants Program, and Fund or Agricultural Support (FAS) on the basis of the existing FAS micro-crediting baseline program (further described in <i>Baseline projects</i>), supports sustainable livelihoods of over. 6,000 people (app. 20% of rural communities in and around target PAs) (GEF BD Funding 0.5 M – Inv) :</p> <p>3.3.1 “Biodiversity micro-credit product” defined and launched in targeted desert and semi-desert ecosystems: activities eligible for support selected (sustainable pasture management /sheep breeding, wool-making, sustainable fisheries (Ile Balkhash), tourism, wildlife management, etc.), and launch it as a separate micro-credit line of the FAS<sup>1</sup>,</p> <p>3.3.2 Functioning mechanism in place for marketing of the micro-credit scheme to communities, assistance to communities in obtaining and implementing micro-credit programs at the pilot stage, monitoring of the operational and ecological success of the scheme.</p> <p>3.3.3 Agreement with FAS on continuation of the product after project end.</p>	BD: 820,000	5,000,000
Project management cost (5% of each allocation – BD 174,000; LD 43,000)				217,000	760,000
<b>Total project costs</b>				<b>4,364,000</b>	<b>15,310,000</b>

<sup>1</sup> Feasibility of Output 3.3 is elaborated in Section B.2 and will further be confirmed at the PPG stage.

**C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)**

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Forestry and Hunting Committee	Grant	8,910,000
National Government	Forestry and Hunting Committee	In-kind	700,000
Other	Fund for Agricultural Support	Grant	5,000,000
Multilateral Agency (ies)	UNDP	Grant	700,000
<b>Total Co-financing</b>			<b>15,310,000</b>

**D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)**

GEF Agency	Type of Trust Fund	Focal area	Country name/Global	Project amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	Biodiversity	Kazakhstan	3,480,000	348,000	3,828,000
UNDP	GEF TF	Land Degradation	Kazakhstan	884,000	88,400	972,400
<b>Total Grant Resources</b>				<b>4,364,000</b>	<b>436,400</b>	<b>4,800,400</b>

**PART II: PROJECT JUSTIFICATION****A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:****A.1. THE GEF FOCAL AREA STRATEGIES:**

The proposed project advances GEF Biodiversity Objective 1 “Improve Sustainability of Protected Area Systems” (BD1) and specifically Outcome 1.1 “Improved management effectiveness of existing and new protected areas”. The project does so by: (i) Closing the ecological gap in the national Protected Area (PA) system vis. inclusion of representative samples of significant ecosystems of mountain, valley, and Southern Kazakh deserts; and building the capacity of PAs administrations to manage the new and expanded PAs so as to maintain ecological integrity and continue to provide critical ecosystem goods and services. In this respect, Component I was designed to increase the PA estate of Kazakhstan by including 1.9 mln ha of under-represented desert and semi-desert ecosystems into the PA system and as such will ensure higher conservation status for many endangered species (see Section B.2 for details); (ii) Promoting a landscape approach to conservation and management of desert ecosystems, putting in place thresholds for the influence of key threatening production sectors in the buffer zones and corridors, and implanting biodiversity compatible land-uses in the targeted districts. This is addressed in component II which will ensure biodiversity-compatible economic activities in over 4 mln of landscapes around the targeted PAs; (iii) Engaging communities in protected area management in a way which enables them to obtain additional benefits. Under Component III, Output 3.3, the project envisages a revolving micro-credit fund in partnership with the Fund for Agricultural Support (FAS), aimed at providing sustainable funding to local communities for biodiversity-friendly livelihoods. This adds to the innovative character and cost-effectiveness of the project, and is also one of the ways to ensure the financial continuity of funding for biodiversity friendly businesses in and around protected areas in Kazakhstan. The feasibility of Output 3.3 in Kazakhstan is briefly outlined further in the text. Promotion of the landscape approach under Component II fits with Sustainable Land Management Objective 3 “Reduce pressure on natural resources from competing land-uses in wider landscape”, and advances the priorities declared under the CA CLIM programmatic approach. Specifically, through Output 2.2 the project will attain complementarity of production activities with conservation in sensitive buffer areas and corridors at app. 4 mln ha of desert and semi-desert ecosystems. Substantial investment will be made in sustainable use and restoration of fragile elements of the desert landscapes such as wetlands, Tugai forests, as well as areas important for livelihoods such as rangelands (see Section B.2 for details).

**A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS:**

This project has been identified as a priority initiative under GEF National Portfolio Formulation Exercise. Further, it is in line with the strategy of the Government of Kazakhstan on the Expansion of Protected Area System until 2030, which seeks to expand PA coverage by 3% of the territory. This objective is also reflected in the 4<sup>th</sup> National Report to CBD, which states: “*The assessment of the ecological gaps confirms that protected area establishment has been slowest and inadequate in the steppe and desert ecosystems. In Eurasia only Kazakhstan and Mongolia have retained vast uniform tracts of virgin steppes and semi-deserts, which have high potential for conservation and restoration of the populations of disappearing species. Therefore, it is the Government priority to concentrate on steppe and semi-desert ecosystems. Here we recognize lack of capacities for more advanced types of protected area governance. We recognize lack of know-how for conservation of typical Southern desert mammals. Conservation of these mammals in Kazakhstan requires adequate forms of protection for desert ecosystems of various types*”. While an on-going UNDP-GEF project is addressing coverage gaps in the steppe ecosystems of Kazakhstan, this project is focusing on desert ecosystems. One of the key strategies of the project outlined in Component II aims at integrating protected areas in the wider landscape and in doing so responds to another priority listed in the 4<sup>th</sup> CBD Report of Kazakhstan: “*It is important to ensure the continuity of the PA estate, which can be achieved when PAs of strict control are connected to managed PAs, and the connection happens through corridors, buffer zones, undisturbed massifs of forests or other ecosystems.*” The project will assist Kazakhstan in implementing relevant aspects of the CBD Program of Work on Protected Areas. The project addresses one of the key priorities of the CA CLIM initiative, focusing on promotion of landscape approach to sustainable land management in Central Asia.

## B. PROJECT OVERVIEW

### B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

Biodiversity and wider landscape significance of desert ecosystems. Kazakhstan is the largest land-locked country (271,730,000 ha) in Central Asia. The desert and semi-desert ecosystems (Central Kazakh, Eastern Kazakh, Mountain-and-valley deserts, foothill deserts) make up most of the country, almost 58%. They provide habitats for: 151 threatened species (out of 800 listed in the country - second highest after forests); 27 rare vegetation communities (out of 79 rare vegetation communities in need for protection - highest number, followed by forest communities at 22); 51.4% of all bird species and 65.2% of all reptile species. The Southern Kazakh desert region (largest deserts are Ustyurt and Kyzyl Kum) covering 30.3 million ha of most typical dry desert ecosystem contains: two Global 200 Ecoregions; a number of Important Bird Areas (IBAs); the largest threatened mammals such as Goitered gazelle (*Gazella subgutturosa*), Onager (*Equus hemionus*), Pallas's Cat (*Otocolobus manul* or *Felis manul*), Caracal (*Caracal caracal*); near-threatened ground squirrel species, several jerboas; and the endemic Desert Dormouse (*Selevinia betpakdalaensis*). The Ile Balkhash region is a mountain-valley desert ecosystem with unique landscape diversity combining high mountains, vast arid desert valleys, small scale wetlands, Tugai forests, and grasslands in between. The small wetlands and lakes attract hundreds of thousands of birds on migration (*Anas*, *Anser*, *Rufibrenta*, *Chettusia*). It is a home to the IUCN threatened species that are particularly vulnerable to spatial habitat changes and degradation as they rely on different habitats of the desert ecosystem for nesting and foraging. These include Dalmatian Pelican (*Pelecanus crispus*), White-headed Duck (*Oxyura leucocephala*), Ferruginous Duck (*Aythya nyroca*), Eastern Imperial Eagle (*Aquila heliaca*), Lesser Kestrel (*Falco naumanni*), Houbara Bustard (*Chlamydotis undulata*), and Pallas's Sandgrouse (*Syrrhaptes paradoxus*).<sup>2</sup> Being the largest drainage basin in the arid region in Central Asia, Ile Balkhash supports the livelihood activities of app. 3.2 million people, including the city of Almaty. It is important for rangeland agriculture, irrigated farming, fisheries. In addition to storing water for summer irrigation, the Ile Balkhash basin generates electricity to power the largest metropolitan area in the watershed, the city of Almaty. The remaining Tugai forest and wetlands in Ile Balkhash and Southern Kazakhstan deserts are key “oases” important for the livelihoods of rural communities. Tugai forests within desert landscapes, including some patches of unique Asiatic poplar wooded areas, cover app. 80,000 ha, of which app 15% suffer from severe degradation.

Threats: As confirmed by the CBD 4<sup>th</sup> National Report, “the biodiversity index of desert and semi-desert ecosystems has dropped by 66% in the past decade primarily due to unsustainable crop agriculture, and excessive grazing”. The widespread monoculture practices are by far the leading cause of the gradual degradation of habitats, flora and fauna in the mountain-and-valley deserts, such as the Ile-Balkhash ecosystem. The Kapchagai hydropower reservoir, built along the middle reaches of the Ile River in 1966, proliferated cultivation of water-dependent crops, like rice and cotton, and led to inefficient irrigation along the lower reaches of the river. The satellite images of 1972 and 2001 of the Ile delta show the gradual desiccation of many small wetlands and ponds that served as critical habitat for 125 migrating bird species (88 of which use the Balkhash Lake and its adjacent landscapes for wintering), 50 mammal, and 20 native fish species<sup>3</sup>. Inefficient irrigation due to wasteful use of irrigation water or leakages negatively affected the soil structure, causing waterlogging, salinization, leaching of essential soil nutrients, and wind erosion.

Overgrazing is one of the main causes of habitat destruction in the Southern deserts. A tendency of replacing sheep with goats, largely for economic reasons, has left grazing lands bare of vegetation and topsoil and more susceptible to wind erosion. In the Ustyurt plateau, degrading rangelands have made ecosystems highly susceptible to droughts, resulting in insufficient revegetation, widespread aerial transportation of sand and salt, formation of salinized or “solonchak” lands and change in species composition. Overgrazing around settlements exacerbates land vulnerability, forcing multiple livestock smallholders move further into marginal lands. Overgrazing in the vulnerable poplar (*Populus pruinosa* –Kazakh endemic) and tugai forests in the Ile delta has resulted in deterioration of these unique wooded ecosystems, soil compaction, and loss of typical Tugai species.

Habitat degradation in the Southern deserts is further exacerbated by ad-hoc construction of unpaved roads disrupting the continuity of the landscape and impacting on migrating mammals. Some remote areas here formerly served as testing grounds for biological weapons with potentially long-lasting negative effects for biodiversity in the region. In the Ile Balkhash basin, hydropower, agriculture<sup>4</sup>, fisheries, waste treatment facilities, landfills, sand, clay, marble and gravel mining, cement production, multiple small and medium-size businesses (e.g. car maintenance and wash services, gas stations), land development for tourism and recreation, - all compete for the access to and use of land.

Several threats stem from biodiversity-incompatible activities of local communities. The uncontrolled poaching of Goitered gazelle (*Gazella subgutturosa*) and Koulan has contributed to a significant drop in its population since the break-down of ranger patrolling groups in 1990-ies. The illicit cutting of saxaul trees, for fuel and sale led to a dramatic reduction of the area and diversity of these wooded zones. Tree cutting puts at risk the survival of some bird, reptiles and mammal species, because their distribution is closely connected with these islets of wooded vegetation. Uncontrolled harvesting of sagebrush (*Atriplex cana*, fodder plant for Saiga antelope), tulips and ornamental flowers, as well as of medicinal plants for commercial purposes, are on the raise.

Protected Area System. The total area of national-level PAs in Kazakhstan is 22,121,641 hectares, or 8.1% of the total area of the country. This includes five main categories of national-level PAs, all of which are under the direct or indirect responsibility of the

<sup>2</sup> IUCN 2010. IUCN Red List of Threatened Species. Version 2010.4. <[www.iucnredlist.org](http://www.iucnredlist.org)>

<sup>3</sup> <http://www.grid.unep.ch/activities/sustainable/balkhash/index.php>

<sup>4</sup> Irrigated farming, pastures, concentrated animal farms



Committee on Forestry and Hunting (CFH). Of these five PA categories, the most important for nature conservation are the first three (State Nature Reserves, State National Nature Parks, and State Nature Reservats), all of which have administrative offices based in the vicinity of the PAs, as well as rangers ('inspectors') patrolling within the PAs. These 'managed' PAs currently cover less than 5 million ha., or 1.8% of Kazakhstan. As can be seen from Table 2, three of the five categories of desert ecosystems have less than 5.5% representation. The northern desert (dry steppe) is smallest at 1.2%. This confirms the 4<sup>th</sup> CBD Report that deserts represent the second least represented natural habitat of Kazakhstan, after steppe.

**Table 2. Protected area system coverage, for desert and semi desert ecosystems**

Desert and semi-desert ecosystems	Estimated remaining area of natural habitat	# protected areas *	# ha protected	Protected area, as % of total remaining area of natural habitat **
Foothill deserts	14,800,000	11	3,347,331	22.6
Central deserts	51,000,000	13	3,675,887	7.2
Mountain-valley subtype	>3,000,000	4	99,704	3.3
Southern deserts	30,300,000	3	1,591,800	5.2
Dry steppe (Northern Desert)	41,000,000	16	481,689	1.2

Source: 4<sup>th</sup> National Report to CBD, GEF-UNEP-WWF-«ECONET Central Asia»; Landscape and biological diversity of the Republic of Kazakhstan. Almaty, 2005; updated by national scientists in 2011.

**Baseline programs:** The Government's Natural Resources Program (Zhasyl Damu in Kazakh language) commissioned in 2010, with an approved budget of USD 1.405 million<sup>5[1]</sup>, is the key foundation of this GEF request. The Program is coordinated by the State Committee on Forestry, which is also the proponent and the national executing agency of this GEF proposal. The overall objective of the program is to provide basic investment costs for protection of the country's environment and for rehabilitation of degraded sites. The program has 4 components, of which one is a USD 44 million PAs Expansion and Creation, aimed at increasing the Protected Areas System to over 9% of the country's territory. At present, the PA component of Zhasyl Domu allocates resources primarily for limited research activities and for basic infrastructure costs at the existing desert and semi-desert ecosystems. Through this proposal, the Government is seeking GEF incremental assistance in doubling the area of protection for the least represented desert and semi-desert ecosystems and ensuring highest quality of management. The Government has committed to re-allocating resources within the Zhasyl Domu program to ensure adequate co-financing for the GEF incremental funding (see sub-section "Co-financing from baseline programs" for further details). This baseline program is the basis primarily for Components I and II.

The other baseline program, which is the basis for Component III, is the Micro-crediting Program for Support of Rural Communities (Tabigi Orta), running in 2010-2015. The Program is partly funded by the Ministry of Agriculture and partly is a self-sustainable funding mechanism. The manager of the Program is the JSC Fund for Agricultural Support (FAS), which is also one of the key partners of the project, specifically for Component III. The objective of this program is to assist rural communities in accessing credit funds for sustainable land-use practices. The overall budget of the program is over USD 100 million. The program provides 0-9% interest loans (30,000 – 200,000) to rural population, primarily for mainstream agriculture (arable farming, grazing), payable in 3 years in 3 equal installments. During 2009-2010 some 10,000 rural villagers drew on the funds from FAS. The program has extensive experience in working with communities in and around almost 25 protected areas all over the country. In this regard, some of the micro-credit programs brought positive benefits for the PAs (e.g. sustainable grazing, honey-making, replacement of wood fuel use by solar collectors, etc.). Conditional to the GEF agreement for this project, the partners of this proposal (UNDP, Government and FAS) have agreed to establish a dedicated biodiversity support micro-credit line to support engagement of communities in and around the desert and semi-desert ecosystems. (See sub-section "Co-financing from baseline programs" for further details).

## **B. 2. INCREMENTAL COST REASONING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED BY THE PROJECT:**

The proposed long-term solution involves a strategic landscape-based approach to protected area expansion and management of the least represented desert and semi-desert ecosystems in Ile Balkhash and Southern Kazakh desert areas. The solution relies on three key elements. The first of these deals with actual rapid expansion of the PA estate on desert ecosystems, putting in place PAs with management plans, financing, permanent and fully staffed management units, considering options for co-management with local communities. Secondly, the solution depends on a high degree of integration of these protected areas with buffer zones, wildlife corridors and other areas of the broader landscape. Finally, the solution depends on engagement of local communities in activities that bring income on the one hand and ensure the biodiversity dividend on the other. The key barriers to the long-term solution are described below.

**Barrier 1:** The current PA system falls short in terms of its bio-geographic representation, with the desert ecosystems currently under-represented. Even more than steppes, deserts have been historically considered wastelands judged purely from economic perspective. Thus, over 900,000 ha of ecosystems of Ile Balkhash currently have no protection. Another reason for the under-representation of deserts within the national protected area system is that the system's historic development was principally driven by a concern to conserve specific species and unique features, as opposed to having been planned to maintain ecological integrity

<sup>5</sup> 1,050 million US\$ from the national budget and 355 million US\$ from local budgets

and ecological processes. In the Southern Kazakh deserts, for example, the Usturt area harbors three ecosystems types (steppe, Northern and Southern deserts), yet the existing PAs cover only steppe and Northern Kazakh desert habitats. Similarly, the two existing natural sanctuaries in Ile-Balkhash largely cover the southern coastal line of Lake Balkhash, leaving most of the mountain and valley desert ecosystem unprotected. While expanding the Protected Areas System in general, and the coverage of desert ecosystems in particular, is an established government priority, the baseline approach to this expansion has as of yet not been carefully prioritized. Under current prioritization, some of the desert PAs may only be established after 5-7 years, whereupon they might degrade or see declines in populations of species they currently harbor. Government baseline investment has been sufficient to cover basic infrastructure and operational cost of key staff. Allocation of resources is not based on strategic PA management assessment tools (like METT), which creates disparities in the capacities of management units. While Central and Foothill desert sub-systems have relatively strong management, the PAs in the Southern and Ile Balkhash regions have sub-optimal management and enforcement effectiveness and are not effectively mitigating the threats to biodiversity that they harbour. The existing PA management units in Usturt, for example, have old infrastructure, limited staff and deficient patrolling capacities inadequate for protection of vast desert areas that they cover. They are unable to patrol Southern desert habitats, control poaching and communicate with local communities on biodiversity regulations and resource use practices..

**Barrier 2.** Kazakh deserts shelter important migrating mammals and birds, whose status depends on landscape level approach to conservation, combining strict conservation in the breeding/nesting areas with sustainable use in the remaining areas. Yet, at the moment, PA design and expansion decisions are not considering the broader, landscape level processes. For example, the design of PAs and conservation activities at the existing desert PAs in Southern Kazakhstan has focused on concentration points of ungulates only in typical steppe areas, missing to assign any protection status or limit economic activities in the adjacent Southern Desert ecosystems, on which these mammals heavily depend for migration. Because of such break-up in the conservation continuity within the Usturt landscape, conservation of threatened migrating ungulates (Saiga, Goitered Gazelle) has been ineffective, both from PA cost-effectiveness perspective, as well as from the perspective of ungulate population sustainability. In yet another example, the land-use regime negatively impacts vast nesting and foraging areas visited by over 100 bird species (Flamingos, Glossy ibis, Golden eagle, Scavenger vulture, Falcon, Bustard, Eagle owl), located just next to the existing two sanctuaries along the southern coastal line of Lake Balkhash. There are no buffer zones or corridors around a single desert PA, where economic activities would be adjusted to conservation priorities. The land-use plans of neighboring districts design prospects for economic activities without any corrections for the biodiversity of the desert PAs. For example, planning for water use, irrigation, and agriculture are all activities that come into conflict with the biodiversity in the Ile delta, but have never been reconciled. To a significant extent the problem stems from lack of proper monitoring and research on desert biodiversity, which should develop evidence and options for economic restrictions and optional scenarios.

**Barrier 3.** Collaborative management in protected area governance in Kazakhstan remains a gap. PA co-management with local communities in areas where excessive grazing or poaching is the highest, although declared by law, have not been tried in practice. There are very few protected area public councils or joint boards, and none in the desert regions specifically. The population density in Kazakh desert regions is low, yet poaching, illegal removal of Tugai forests and other forms or resource use by population remain a key concern, and requires installment, monitoring and enforcement of resource use thresholds on the one hand, and – economic incentives for alternative uses on the other. Both parts of the equation are currently missing. Local communities are disconnected from protected area planning and management. There is no dialog with local communities, nor enforcement systems to control poaching, logging of Tugai forests and other forms of destructive behavior. In terms of incentives, while grant funding from donors can no longer be recognized as a sustainable mechanism, micro-credit has been gaining popularity in the country, where income has been gradually raising and hence the borrowing capacity of people as well. In rural areas, however, access to micro-credit remains a problem. While for mainstream agriculture (arable farming, rotational grazing) the credit becomes more available, alternatives that would at the same time be biodiversity friendly are missing.

**Project objective, outcomes and outputs.** The objective of the project is to enhance the sustainability of protected areas in globally important desert ecosystems by expanding their geographic coverage, promoting landscape approach and supporting biodiversity-compatible livelihoods in and around PAs, focusing on regions of Ile Balkhash and Southern Kazakh deserts. The project has been designed to realize this by focusing on addressing the 3 barriers outlined above.

**Component 1** will expand the PA estate in Southern Kazakh deserts and Ile Balkhash region. Management, enforcement, and monitoring capacities of the expanded and new PAs will be put in place. Co-management arrangements with local communities will be introduced to engage them in PA management and decision-making. The PAs will be assisted in management and business planning, assessment of conservation priorities (e.g. wildlife migration patterns) and development of threat-reduction activities. Building upon the experience of the other UNDP supported GEF funded Protected Area Projects in Kazakhstan (covering wetlands, mountains, forests and steppe ecosystems), a PA staff training programme will be specifically designed covering all aspects of PA operations specific to desert and semi-desert ecosystems, ensuring rangers and other field staff have necessary competencies for planning, administration, conflict resolution and enforcement. The project will promote the use of METT as a tool for gauging the effectiveness of PA functions and management for desert and semi-desert ecosystems. Also, the project will establish and equip patrolling groups with means for surveillance, interception, and prosecution to ensure adequate enforcement. The Committee on Forestry and Hunting will lead this component in cooperation with regional and local authorities, and local communities.

**Component 2** will increase the resilience of the PAs by enhancing the conservation-friendliness of intervening landscape areas. Buffer zones and corridors will be established around the PAs, and the total landscape area under conservation management will reach app. 4 mln ha. The CFH and PAs management will be synchronized with local governments through adjustments to territorial plans, followed by agreements with land users on modified resource use in the buffer zones. Species and habitat maintenance plans for buffer zones and corridors will be developed. The land-use regime in the corridors will allow sustainable economic activities, such as managed hunting areas and tourism concessions. The project will demonstrate an approach to rehabilitation of degraded rangelands over 85,000 ha in the Ile Balkhash basin and Usturt. Activities under output 2.1.4 will include participatory biophysical and socio-economic resource mapping to understand the potential of the various ecozones in pilot areas for livestock; as well as on-the-ground investments (e.g. soil improvement, improvement of hydrological regime, re-seeding, wells drilling, access roads restoration/maintenance) to increase the quality of soil and raise the mobility of livestock and balance livestock grazing pressure on rangelands in desert and semi-desert ecosystems. Investment will be made in restoration and sustainable use of Tugai forests. Within the financial and temporary limits of the project it is feasible to restore app. 1,000 ha of Tugai forests. At the same time, in those areas which suffering minimal to moderate impacts, the project will work with communities on the development and implementation of *Tugai forest management plans*, covering an areas of 20,000 ha. The project will further invest in restoration and sustainable use of wetland habitats. Given the project's funding and temporary boundaries, the Government commits to restoration and sustainable use of 2,000 ha of degraded wetlands. The restoration will focus primarily on the degraded wetlands in the historic parts of Ile River delta. This will help to expand the nesting and resting grounds for globally threatened migrating birds, as well as provide for livelihood opportunities for local communities (sustainable farming with limited artificial irrigation, water supply, grazing, fishing and recreation). From technology perspective, wetland rehabilitation will rely on closing pre-selecting ditches and canals with dykes thus re-wetting, in a controlled manner, the old river delta and subsequently regulating water levels in wetland areas for biodiversity and livelihood purposes. A study on optimal water levels will precede the restoration activities, in order to have clear understanding of dyke parameters from hydrological perspective. Lastly, a comprehensive desert biodiversity monitoring system will be put in place to enable accurate and regularly updated data feeding the economic and conservation decision making on desert PAs, buffer zones and corridors.

**Component 3** will focus on engagement of communities in PA management. The project will develop the capacities of local communities and authorities to participate in protected area management. The project will incorporate lessons on community engagement learnt from the completed UNDP/GEF projects (on conservation of agro-biodiversity, wetlands conservation) in Kazakhstan. The co-management model for the new PA in Ile Balkhash will be adjusted to the local economic and social context in order not to disrupt the culture and livelihoods of local communities. The project will support joint PA boards for Ile Balkhash and Usturt areas, and will assist the PA administrations and local communities in working out sustainable biodiversity use management arrangements, including thresholds and incentives for resource use in and around Pas. These will be enforced and monitored through a set of mechanisms envisaged under Output 1.3. The CFH together with local governments and communities are expected to play a key role.

Under Output 3.3 the project will put in place a biodiversity micro-credit revolving facility. The facility will be based on partnership with FAS. The institutional arrangements, disbursement and collection system exist at FAS and will be used for the new micro-credit program. About 300 recipients are expected to benefit from this facility. The program would provide 2-7% interest loans (30,000 – 100,000)<sup>6</sup> to rural population payable in 3 years in 3 equal installments. Preliminary studies of FAS and UNDP confirmed for desert communities feasibility of a menu of such activities<sup>7</sup>, which however, require ground-proofing in the PPG stage. Full capitalization of the biodiversity budget line in the fund will be rendered by FAS, out of its baseline project. FAS has pre-committed to reserve funds as co-financing for the GEF project. The incremental value of the GEF rests with support to the deployment of the scheme through providing: (i) assistance in marketing of the scheme to local communities; (ii) assistance to villagers in feasibility assessments and application process; (iii) guidance on implementation of specific activities; and (iv) monitoring of contractual arrangements.

The feasibility of the micro-credit activities proposed under Output 3.3, has been generally confirmed. The key important conditions are met:

- there is a substantial amount of potential clients willing to borrow for nature conservation: existence of the client base for micro-crediting in rural communities has been proven by the success of the FAS mainstream credit history, as well as by international projects such as the UNDP-GEF Wetlands project.
- the menu of nature conservation activities does exist, which while being lucrative as business proposals, at the same time, directly contribute to conservation of biodiversity. For desert and semi desert ecosystems this includes sustainable grazing, wool-making, wildlife management, medicinal plants and apiculture, as well as and tourism; and
- the existence of a reputable micro-crediting market in the country with large-scale entities, well established experience and regularly replenished own capital, which: (i) have had at least some experience in funding activities beneficial for biodiversity; (ii) had previous experience in working with partners such as UNDP; (iii) will be interested to create and promote a new biodiversity product

<sup>6</sup> Subject to detailed feasibility analysis at PPG stage.

<sup>7</sup> Such as: Indigenous sheep breeding and wool-making, sustainable fisheries (relevant for Ile Balkhash), ecotourism/agro-tourism in and around protected areas, sustainable rangelands with direct positive impact on vegetation suitable for breeding and nesting birds (and other beneficial forms of impact on biodiversity); accompanied by procurement of solar panels for long-range herd movements, innovative irrigation, support to milk processing, grassland management, seed procurement; other small businesses (non harmful for natural resources) in and around protected areas which agree to share part of their income with protected areas – e.g. catering, support to sustainable forest management by private farmers and hunting enterprises.



in their loan menu; and (iv) will agree to co-finance the GEF project. One of such operators is FAS – the Fund for Agricultural Support, the key project partner for this output.

The target of 300 recipients was based on conservative analysis of the previous experience of the host of the mechanism (FAS), financial risks, potential ecological viability of the credited activities, experience of similar GEF projects in Kazakhstan, and elsewhere, including the GEF Small Grants Programme. On this basis, the scheme realistically can reach out to app. 300 families or community groups in the target landscapes. As per standard practice of FAS, recipients of funding can be either a rural family, or “a community group”. Normally, the ratio of “families”/“community groups” in the recipient list of FAS is 50/50. In the target region, a rural household usually consists of 4-6 people while the initiative group represents 5-6 households or about 20-36 people. Therefore, with high probability, the total number of rural residents directly benefiting from the scheme may reach over 6,000 people, which is a significant proportion (over 20%) of population in the targeted communities in and around the new protected areas in Ile Balkhash and Southern Kazakh deserts. The capitalization of the biodiversity budget line is negotiated at USD 5 M. This means that an average credit will be USD 5 M / 300 = USD 16,660, which is optimal for similar areas in Kazakhstan from historic records of FAS. Inflating the target would exponentially raise financial risks, question ecological viability of this innovative funding initiative, and justifiably raise the risk of failure. At the same time, if successful, the FAS and the Government of Kazakhstan undertake to sustain the budget line beyond the GEF project. A detailed feasibility and business plan necessary to launch Output 3.3 will be implemented at the PPG stage.

Co-financing from the baseline projects. By agreement with the Government, allocation of resources from the Zhasyl Damu baseline program could be increased by up to USD 4 mln. Apart from covering the basic and operational cost of the existing desert and semi-desert PAs, this co-financing would ensure investment costs for the newly created protected areas in the Ile-Balkhash basin and in the Usturt plateau. Funding could co-finance ecological studies of the ecosystems at these PAs, and finance research on targeted species (threatened, endemic or typical desert species as indicators: Persian gazelle (*Gazella subgutturosa*), Koulan (*Equus hemionus*), manul (*Felis manul*), desert lynx (*Felis caracal*), and desert monitor (*Varanus griseus*). This co-financing is relevant to Outputs 1.1.1 (creation of new PAs), 1.1.2 (expansion of PAs), 2.1.4 (species management plans), and Output 2.2. (biodiversity monitoring system). The manager of the second baseline program (FAS) has pre-committed to allocate up to USD 5 mln for capitalization of a new micro-credit line “biodiversity-compatible livelihoods in and around PAs” that would focus on supporting communities in and around the desert and semi-desert PAs. This will support the project’s planned activities in Outcome 3 and establish a financially sustainable basis for providing local communities with alternative livelihoods in desert and semi-desert pilot areas.

Incremental cost reasoning and accruing global environmental benefits. The project will add incremental value to the baseline programs relevant for desert ecosystem biodiversity. Through this, BD benefits will accrue. This is presented in the table below

Situation resulting from baseline	Alternative to be put in place by the project	Global benefits
<p>With current funding priorities under the Zhasyl Damu baseline program, funding will be sufficient to cover the support of existing desert and semi-desert PAs, but insufficient to expand protection onto under-represented species and ecosystem sub-types. No integration of PAs in wider landscape will happen. Community engagement in PA management will remain limited.</p> <p>About 60% of the currently unprotected desert ecosystems (especially Southern, Central and mountain-and-valley) deserts are predicted to degrade in the next 10 years caused by arable farming, excessive grazing, poaching.</p> <p>Number of threatened species in Kazakhstan desert ecosystems is likely to hover at around 150. Populations of threatened mammals Goitered gazelle (<i>Gazella subgutturosa</i>), Onager (<i>Equus hemionus</i>), Pallas's Cat (<i>Otocolobus manul</i> or <i>Felis manul</i>) are likely to fall.</p> <p>The endemic vegetation communities of many mountain-and-valley deserts (esp. in Ile Balkhash) might lose up to 30% of their current coverage, resulting from unabated economic activities (e.g. unsustainable water management) in the surrounding landscapes (caused by practices listed in the threat analysis above).</p>	<p>PA estate contains representative samples of mountain and valley and Southern Kazakh Deserts. At least 1.9 million of globally important desert habitats put under protection by 2017, with PA management units fully capacitated for effective management.</p> <p>Compliance of economic resource-users with biodiversity standards monitoring and enforced in and around the newly established PAs.</p> <p>Species and habitat integrity within PAs barred from negative surrounding influence through buffer zones and corridors, wherein economic activities are adjusted</p> <p>Desert biodiversity is studied and monitored on a systemic basis.</p> <p>Communities engaged in PA planning and operations through co-management arrangements. Thresholds set and enforced for use of resources by local communities.</p> <p>The FAS microcredit program runs a dedicated biodiversity micro-credit facility, with at least 6,000 people in rural areas benefiting from it (app. 20% of population in targeted protected and around them). This serves as a lasting mechanism for funding economic</p>	<p><b>BD:</b> Improved bio-geographic coverage of PA system: by 2030 an additional 1.9 million ha of the least represented desert and semi-desert ecosystems added to the PA estate.</p> <p>Restoration of 2,000 ha of wetlands of international importance and 1,000 ha of Tugai forests (in Ile Balkhash ecoregion).</p> <p>Stability of populations of threatened and indicator species:</p> <ul style="list-style-type: none"> <li>- Southern Kazakh desert region: Goitered gazelle (<i>Gazella subgutturosa</i>), Onager (<i>Equus hemionus</i>), Pallas's Cat (<i>Otocolobus manul</i> or <i>Felis manul</i>), Caracal (<i>Caracal caracal</i>).</li> <li>- Ile-Balkhash region: Dalmatian Pelican (<i>Pelecanus crispus</i>), White-headed Duck (<i>Oxyura leucocephala</i>), Ferruginous Duck (<i>Aythya nyroca</i>), Eastern Imperial Eagle (<i>Aquila heliaca</i>), Lesser Kestrel (<i>Falco naumanni</i>), Houbara Bustard (<i>Chlamydotis undulata</i>), and Pallas's Sandgrouse (<i>Syrhaptes paradoxus</i>).</li> </ul> <p>Secured stability of typical Southern Kazakh desert vegetation communities (<i>Haloxylon persicum</i>, <i>H. aphyllum</i>, <i>Calligonum</i>, <i>Ammodendron</i>).</p> <p>Innovative approach to engagement of local communities and women in PA livelihoods relevant for the integrity of the PAs: micro-crediting program for biodiversity-compatible livelihoods capitalized (USD 5 mln).</p> <p>Improved management effectiveness of targeted PAs (METT score increase by 25%)</p> <p>Contribution to CBD PoWPA (expansion of PAs, integration of PAs in wider landscapes, and community engagement schemes).</p> <p><b>LD:</b> Integrated land-use planning approach under implementation at 4 mln ha of desert landscapes, ensuring preservation of ecosystem functions.</p> <p>Revegetation / improved topsoil and vegetation cover at 85,000 ha of rangelands through establishment of sustainable grazing regimes. This contributes to reduction of wind-erosion on the same area. [Replication</p>



Situation resulting from baseline	Alternative to be put in place by the project	Global benefits
The Micro-credit program of FAS will issue credit to support mainstream agriculture which has negative or no positive impact on biodiversity.	for local communities that are beneficial to biodiversity. This will catalytically help to replicate the experience reaching out to over 3,000 recipients in the 7-10 years immediately after the project.	potential 0.5 mln ha]. Restored water-table at 2,000 ha of degraded wetlands. [Replication potential 12,000 ha] Restoration of 1,000 ha of degraded Tugai forest and sustainable management of 20,000 ha of moderately impacted Tugai forests in Ile Balkhash delta curbs soil erosion of the river channel and prevents excess deposition of sediment to the Ile River and the Balkhash Lake. [Replication potential 100,000 ha].

**B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS. AS A BACKGROUND INFORMATION, READ [MAINSTREAMING GENDER AT THE GEF.](#):**

Community benefits. Component III is all about engagement of local communities and land-use managers. The local authorities (rayon and village akimats) as well as representatives of local populations (e.g., livestock breeders, hunters and agriculturalists) will be consulted on the design of the biodiversity micro credit-line. Participation by these groups in joint protected area boards (Output 3.1) will ensure engagement of local communities in protected area planning and management, starting from an inception workshop to discuss the overall vision and planned activities within the areas and continuing through the development of management plans and their implementation. Under Output 3.2 (sustainable biodiversity use management arrangements), engaging upstream local communities in sustainable land-use and fishery practices will benefit biodiversity of degraded Ile-Balkhash ecosystem. In less densely populated but more poor areas of the Usturt plateau, the project will provide a range of alternative employment opportunities including seasonal engagement of ex-poachers in PA patrolling and monitoring of key ungulate species. Under Output 3.3, the project will invest in the development of sustainable income generating mechanisms for local communities in the Ile-Balkhash and Usturt areas, allowing communities to maintain a decent level of income while mitigating potentially adverse impacts on specific species and ecosystems as a whole. For this, the project will target **app. 6,000 people (app. 20% of local population)** in the buffer zone and along ecological corridor of the future Ile-Balkhash Reservat: Miyali, Zhideli, Topar, Karoi, Kuigan, Kokzhide, Bakpakti, Balatopar, Koktal, and Ushzharma. The integrated land-use planning (Output 2.1.2) will optimize the economic revenues of local economies in the long-term, since it will adjust them towards a more sustainable (and hence lasting) use of resources.

Engagement of NGOs. The Association for Biodiversity Conservation in Kazakhstan (ACBK), the Royal Society for the Protection of Birds (RSPB), possibly (pending further negotiations) World Wildlife Fund (WWF) will be key partners in developing the capacity for monitoring and enforcement of resource use regulations at new PAs (Output 1.3). Engagement of local NGOs will be considered for Output 3.3.2, to support mediation between the FAS and local communities in accessing and implementing the micro-credit projects. The NGOs will be involved in the advocacy and public awareness activities.

Gender benefits. UNDP/GEF conducted research on in-situ conservation projects (e.g. for conservation of agro-biodiversity or wetland ecosystems), which revealed that women have become a key target group in rural communities, as they are more receptive of new concepts and more willing to shift to biodiversity-friendly practices, provided that they generate enough income for a household. Component III of the project envisages a micro-credit facility to support sustainable rural livelihoods. The project team estimates that up to 300 people can benefit from obtaining micro-credit and at least 55% of the beneficiaries are expected to be women. For example, one of the highly potential activities to be supported by the fund is wool making based on sheep of native breeds: this activity has traditionally been “in the hands of women”, therefore by giving it a boost in the target region, the micro-credit program will address women’s poverty in the first place. Women will receive guidance for this and other relevant activities eligible under Component III. They will also be promoted to participate in the joint PA boards (Output 3.1).

**B.4. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS AND MEASURES THAT ADDRESS THESE RISKS:**

Risk	Level	Mitigation
Failure to establish new protected areas due to prevailing conservative views of local authorities and communities on desert ecosystems as wastelands	M	The expansion and strengthening of the national protected areas system is consistent with the Governmental Program Natural Resources which was already approved. The Committee on Forestry and Hunting has already conducted a feasibility study for the establishment of a series of protected areas to conserve desert ecosystems. This work is a part of the Protected Area pillar of the Zhasyl Domu program. Under Component I, the project will involve the local communities and authorities throughout the entire process of protected area establishment, as the project aims to also pilot co-management models. Furthermore, raising the understanding of desert biodiversity values will be incentivized among communities through the micro-credit biodiversity facility (Output 3.3).
Failure to establish co-management conservation regimes due to weak capacity of local	M	Under Output 3.1, the project will develop the capacities of local communities and authorities to participate in protected area management. The project will incorporate lessons on community engagement learnt from the completed UNDP/GEF projects (on conservation of agro-biodiversity, wetlands conservation) in Kazakhstan. The co-management model for the new PA in Ile Balkhash will be adjusted to the local economic and social context in order not to disrupt the culture and livelihoods of local communities.

Risk	Level	Mitigation
communities.		
Difficulties in starting up the microcredit biodiversity facility	M	The novelty of the mechanism is well recognized. However, several factors in the current socio-economic and financial context of Kazakhstan point that such facility is less risky than anywhere else in the region, and has high probability of success. The feasibility of the facility has been briefly discussed above. The operational difficulties would not bar the activity, since it is based on the existing institutional, financial and operational platform (FAS), and not creating this from scratch. Capitalization issue is considered to be low-risk, since the fund is not a grant endowment trust fund (for which capitalization globally is most difficult to obtain), rather a credit revolving facility, and since FAS has agreed to capitalize the fund provided GEF incrementally covers the support functions of the new product: marketing, outreach, compliance monitoring. GEF funds to cover this soft support and mediation between the financial facility and end-users (communities) will ensure absorptive capacity / demand for the project. Based on UNDP research and experience of the wetlands conservation project of GEF, such demand does exist, and can be successfully tapped provided there is a strong UNDP-GEF-Government-FAS partnership set up for it. Still, a detailed feasibility study for this activity will be conducted at the PPG stage.
Influence of climate change contributes to rapid degradation of the biodiversity of desert and semi-desert ecosystems	L	The risk of climate change is one of several reasons that the project has chosen to emphasize landscape-level actions together with protected area expansion. The project will enable the emergence of a supportive matrix of land uses, including the ecological corridors to connect protected areas. In addition to benefits for migratory species such as Saiga, this approach will limit climate change risk by providing pathways along macro-climatic and upland-lowland gradients to enable species movement in a context of potentially shifting ecological zones

**B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE:**

The *Committee for Forestry and Hunting* is a key government institution that is responsible for regulating biodiversity, including the establishment and management of Protected Areas. It will coordinate and seek approval of feasibility studies for creation of new and expansion of existing desert PAs, and therefore has a critical role in Component I and II. Its regional offices will oversee the actual establishment/expansion of PAs, including negotiations with local authorities and stakeholders. CFH will seek approval of amendments to existing forest legislation on corridors, buffer zones, and a stakeholder consultation mechanism for PA management. CFH will provide training facilities for the project’s capacity building activities, and its staff will be direct beneficiaries of the project’s capacity building efforts. The *Ministry of Agriculture* will be involved in the joint development of landscape-level management plans, desert conservation initiatives, and will also play a role in the development of sustainable use alternatives. The new *Ile-Balkhash State Nature Reservat* and the existing *Ustuiirt State Nature Reserve* are key beneficiaries of the project’s output on protected area expansion, coordinating negotiations with oblast/rayon administrations and other relevant government agencies regarding zoning arrangements and the creation of buffer zones and corridors, as well as adaptive landscape management to ensure that the expanded PA is managed in tandem with the management of production activities occurring in the larger landscape. *Oblast and local administrations, local industries and entrepreneurs (private sector), hunting and fishery managers, civil society organizations and communities* will contribute to the development and implementation of the landscape-level management plans. *Local and international environmental conservation groups* and NGOs such as the Association for Biodiversity Conservation in Kazakhstan (ACBK), Fauna and Flora International (FFI), the Royal Society for the Protection of Birds (RSPB), Frankfurt Zoological Society, and World Wildlife Fund (WWF) are important stakeholders. These groups have strong conservation interests and research, and expertise in advocating on behalf of desert ecosystems and its species that the project can build on. Further details on engagement and benefits for NGOs, communities and women are described in Section B.3.

**B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

Over the past few years, UNDP has been supporting the Government of Kazakhstan in developing and implementing several GEF-funded biodiversity and land management projects aiming at strengthening the mountain and wetland protected area systems, demonstrating in-situ conservation of agro-biodiversity, good practice in livestock management, and landscape approaches to steppe conservation and management that promote both the ecological integrity of ecosystems and rural livelihood. The ongoing steppe conservation project has contributed with knowledge on the migrating ungulates, which are also occurring in the desert ecosystems. This enabled (and will continue to enable) biological knowledge important for setting up proper PAs, buffer zones and corridors, both in steppe and in desert ecosystems. The two project teams will collaborate closely (sitting in each other’s steering committees), collaboration which will be facilitated by the UNDP Country Office. The project builds on the experiences and lessons from the World Bank/GEF project “Biodiversity Conservation in Western Tian-Shan” (completed), and “Drylands Management Project” vis-à-vis approaches to community engagement. The results and materials of the UNEP funded EcoNet project have been already used when looking at the existing gaps and under-represented ecosystems in the national PA system. Kazakhstan together with the other Central Asian countries is part of the *Central Asian Countries Initiative for Land Management* (CACILM), a partnership dedicated to combating land degradation and improving rural livelihoods. While CACILM is focused primarily on desertification / sustainable land management issues, its partners are also developing recommendations on sustainable use of resources and maintenance of the ecosystem integrity in dry-land ecosystems. Thus, conservation priorities in the Ile-Balkhash region, which is the key project area, have clearly been prioritized by CACILM partners. The proposed project will use

the CACILM platform for dissemination of knowledge and replication outside the immediate project areas. The government of Kazakhstan with technical support from UNDP Kazakhstan has been successful in instituting a stakeholder decision-making platform but for water management. The project will draw on lessons learnt to transfer such experiences and practices to PA management.

**C. DESCRIBE THE GEF AGENCY’S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:**

Biodiversity conservation and expansion of PAs in particular is one of key programming pillars of UNDP. In Europe and CIS, UNDP is implementing over 35 GEF-funded biodiversity conservation projects through its network of 22 Country Offices. Under the protected area theme, UNDP-GEF activities are seeking to strengthen the management effectiveness of PA systems, improving PA governance, improving PA finance and integrating PA management into national and territorial development. UNDP Kazakhstan has been successfully managing a portfolio of technical assistance and capacity building initiatives in the areas of biodiversity conservation, prevention of land degradation, and watershed management. In the context of PA expansion and management, in recent years, UNDP Kazakhstan contributed critical expertise which contributed to: (i) establishment of: Zhongar-Alatau State Natural Park (356,000 ha) to conserve wild apple genetic diversity; State Nature Reservat Ak-Zhaiyk in Ural delta (111,500 ha) to conserve wetland areas and spawning grounds of sturgeon species; (ii) expansion of the Korgalzhin State Nature Reserve by 250,000 ha and the Alakol State Nature Reserve by 30,000 ha to improve representation of wetland ecosystems; (iii) upgrading the status of a park of local importance and creating State Nature Park Buiratau (89,000 ha) in steppe ecosystem; (iv) establishment of a “green corridor” of 525,000 ha (legal documents, planning, assessments and assigning a conservation management regime) to improve connectivity of eastern and western parts of the Kazakhstani portion of the Altai-Sayan ecoregion. UNDP Kazakhstan has an extensive nation-wide experience in creating and operationalizing River Basin Councils, a stakeholder decision-making mechanism for water management, and has the potential to replicate this experience for the purposes of PA and landscape management. UNDP Country Office has a well-established partner relationships with the Fund for Agricultural Support, and has been jointly implementing a microcredit mechanism for sustainable land-use practices in rural wetland communities.

**C.1. INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:** UNDP’s comparative advantage lies in its capacity to broker finance from national and international sources, to assist countries to meet their environmental finance needs. In line with UNDP’s mandate as chair of the UNGD it plays a key role in the leveraging of resources from a range of funding sources in the construction of a project funding package. UNDP has brokered US\$ 12,000,000 for this project from multiple sources, to be confirmed during further project preparation. This includes a US\$ 0.7 million own UNDP allocation to the project. UNDP support will also be provided through its broader poverty and governance portfolio and through the range of technical staff working in the environment.

**C.2. HOW DOES THE PROJECT FIT INTO THE GEF AGENCY’S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:**

Biodiversity conservation, sustainable land management, and climate change are the key programming pillars of UNDP in Kazakhstan. In 2009 UN Kazakhstan finalized United Nations Development Assistance Framework (UNDAF) process. Energy and environment is one of three key programming pillars within UNDAF Kazakhstan and this project will advance the UNDAF target that by 2015, communities, national, and local authorities use more effective mechanisms and partnerships that promote environmental sustainability. With respect to the CPAP, project will make a contribution to Outcome 2 where UNDP is planning to enhance capacities for integrated and sustainable natural resources management of national and regional level government agencies, private sector, NGOs/CBOs, and farmers with special attention to sustainable financing tools and mechanisms that can increase Government spending for biodiversity conservation, as well as to tools for sustainability of water services, and increased integration and implementation of models for land use planning and management and landscape conservation. Currently, environment represents more than 60% of overall UNDP country portfolio. In the natural resource management sub-cluster, UNDP has been playing a key role among all UN agencies and international organizations contributing to transformational changes in biodiversity conservation and especially protected areas development. The UNDP Country Office in Kazakhstan has a permanent 5-staff unit successfully managing a portfolio of technical assistance and capacity building initiatives in the areas of biodiversity conservation, prevention of land degradation, and climate change (plus support from operations and senior management). This team is supported by UNDP/GEF Regional Coordination Unit composed of 14 technical advisers (most of them Russian speaking) and support staff assisting with M&E and delivery oversight, among other tasks).


**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE (MM/DD/YYYY)
Nurgali Ashim	Minister of Environmental Protection, GEF OFP	Ministry of Environmental Protection	26 Aug 2011

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

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

<b>Agency Coordinator, name</b>	<b>Signature</b>	<b>Date</b>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email Address</b>
Yannick Glemarec, UNDP- GEF Executive Coordinator		September 23, 2011	Maxim Vergeichik, RTA, EBD	+ 421905633046	maxim.vergeichik@undp .org