

PROJECT BRIEF

1. IDENTIFIERS

PROJECT TITLE:	Kazakhstan: Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat: A Demonstration in Three Sites.
DURATION:	7 years
GEF IA:	United Nations Development Programme
EXECUTING AGENCY:	Ministry of Natural Resources and Environment Protection (MNREP)
REQUESTING COUNTRY:	Republic of Kazakhstan
ELIGIBILITY:	CBD ratified: June 1994. Notification of Participation in GEF: March 1998
GEF FOCAL AREAS:	Biodiversity
GEF OP::	OP 2: Coastal, Marine and Freshwater Ecosystems.

2. SUMMARY:

In Kazakhstan, dramatic social and economic free-market reforms present new challenges and opportunities for wetland conservation. New property rights in water and land are being formed and tested, providing an opportunity to integrate sustainable land and water resource management regimes. Protected areas require a re-orientation in management, strengthened financing mechanisms and new relationships with the stakeholders living around them. A lack of experience in how to meet these challenges in recent years has resulted in the neglect and unsustainable use of Kazakhstan's globally significant wetland areas and their attendant biodiversity. This project is designed to demonstrate the integrated conservation and sustainable use of biological diversity in three priority wetland sites. The three sites lie along different migratory flyways and each enables the project to demonstrate solutions to different pressing issues affecting Kazakhstan's wetland biodiversity resources.

3. COSTS AND FINANCING (MILLIONUS\$):

GEF: Project	8.710
PDF B	0.137
Sub-total GEF:	8.847
CO-FINANCING:	
Government of Kazakhstan/MNREP	22.750
IBF	0.550
AtyrauBalyk	1.015
KHU	0.010
UNDP	1.825
UNSO	0.090
Government of Finland	0.500
OKIOC	0.210
NABU	0.605
Jibek-Joli Co.	2.140
Sub-total co-financing:	29.695
TOTAL PROJECT COST:	38.542

4.	Associated Financing (millions of US\$):	116.74	
	GEF Alternative Total (millions of US\$):	155.29	[PDF B cost included]

5. OPERATIONAL FOCAL POINT ENDORSEMENT (SEE ANNEX VII):

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DATE OF ENDORSEMENT: _ February 2000

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Abbreviations

AOEMD	Atyrau Oblast Environmental Monitoring Department
APR	Annual Project Report
AS	Alakol-Sassykol
CBD	Convention on Biological Diversity
CITES	Convention on the International Trade in Endangered Species
CoWR	Committee on Water Resources
CoLR	Committee on Land Resources
FFHC	Forestry, Fishery, and Hunting Committee
GEF	Global Environment Facility
GEF-OP	Global Environment Facility Operational Program
GoF	Government of Finland
GoK	Government of Kazakhstan
IMB	Inter-Ministerial Board
IUCN	International Union for the Conservation of Nature
KAS	Kazakhstan Academy of Sciences
KCAZS	Kazakhstan Central Asian Zoological Society
KHU	Kazakh Hunters Union
LL	Land Law
LEP	Law on Environmental Protection
LRC	Land Resources Committee
LTFM	Long-term Funding Mechanisms
MBWCF	Migratory Bird Wetland Conservation Fund
MoA	Ministry of Agriculture
MNREP	Ministry of Natural Resources and Environment Protection
NABU	German Association for Nature Conservation
NGOs	Non-governmental Organization
NPS	Nature Protection Society
NWL	National Wetland Conservation Law
OKIOC	Overseas Kazakhstan International Oil Consortium
PDF-B	Project Development Facility, Block B (GEF project development grant)
PEC	Parliamentary Environment Committee
SEG	Site Expert Group
SIC	Site Implementation Committee
TK	Tengiz-Kurgaldzhin
TPR	Tripartite Project Review
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
URD	Ural River Delta
WB	World Bank
WRC	Water Resources Committee
WI	Wetlands International
WWF	World Wildlife Fund

1. BACKGROUND AND PROJECT CONTEXT

Environmental context:

1. The Republic of Kazakhstan is the ninth largest country in the world. Located in the center of Eurasia, Kazakhstan harbors a distinctive and varied landscape. Nearly every biogeographic zone can be found here, from the forest-steppe of the Siberian lowland, to the Caspian Sea coastline and the central desert steppe, up to the alpine systems of the Tien Shan Mountains. This ecological diversity supports Kazakhstan's globally important plant and animal life. Over 6,000 species of plants are known to occur here and fourteen percent of these species are endemic. The animal assemblage is equally as diverse. Approximately 489 species of birds have been found in Kazakhstan.

2. Two of the world's major flyways and their respective branches, the Central Asian-Indian Flyway and the East African Flyway, converge on Kazakhstan's Eurasian wetlands. This fact makes these wetlands especially important for migratory birds as they pass through on their way north from Africa and India and south from Europe and arctic Russia. In essence, Kazakhstan is an international migratory bird "hub." Birds from as far away as Italy and Finland on the west to Yakutia on the East and from the Arctic in the north and Australia to the south rely on wetlands resources in Kazakhstan for nesting and feeding habitat. In fact, Kazakhstan supports the largest population (over 130 species) of waterfowl in Asia. It is estimated that over 50 million birds migrate semi-annually through Kazakhstan from winter feeding grounds to summer nesting grounds and back again. Approximately 20% of these are estimated to nest in Kazakhstan. As such, Kazakhstan is one of the priority areas for wetland conservation in this part of the world. Three project sites were chosen during the Block B project development process based upon six criteria: 1) International biodiversity significance; 2) National significance; 3) Socio-economic importance; 4) Level of threat to wetland biodiversity; 5) Opportunities for economic development in surrounding areas; 6) Urgency for action. The three sites are: Ural River Delta, Teniz-Kurgaldzhin wetlands, and Alakol-Sassykol lakes complex.

3. The most important wetland for migratory birds on the Western Siberian/Caspian Sea branch of the East African flyway is the Ural delta and the nearby Caspian coast seven km south-west of the town of Atyrau (46-45 N, 51-50 E). Although not officially registered as a Ramsar site, the Ural delta meets or exceeds the Ramsar wetland site criteria and is on the GoK's list of site nominations to be submitted after its imminent accession to the Ramsar Convention. The 600 km² delta breaks the Ural river into myriad branches, that in turn fill hundreds of shallow-water wetland areas ringed by the tall reed (*Phragmites communis*), the aquatic plant (*Typha latifolia*) and the willow (*Salix silvestris*). Here swans and other waterfowl moult in high numbers. Rare species nest here as well, such as the Glossy ibis (*Plegadis falcinellus*), Eurasian spoonbill *Platalea leucorodia*, Little egret (*Egretta garzetta*), Cattle egret (*Bubulcus ibis*), Squacco heron (*Ardeola ralloides*), Purple Swamp Hen (*Porphyrio porphyrio*). During migratory periods, thousands of Greater flamingo (*Phoenicopterus ruber*), Dalmatian pelican (*Pelecanus crispus*), Great black-headed gull (*Larus ichthyæetus*) as well as the highly threatened Lesser white-fronted goose (*Anser erythropus*) stop-over here.

4. The Ural delta is home to the world famous, caviar-bearing sturgeon fish as well. In addition, there is the specially protected species of Caspian salmon (*Salmo trutta*), (*Caspiomezon wagneri*), (*Stinodus leucikhtys*), as well as the Caspian seal, known to frequent the delta mouth area. Among the wide diversity of the aquatic plants are the rare and relic species: the white water lily (*Nymphae alba*), *Nymphae nuciferum*, *Aldrovanda vesiculosa*, and the water-nut (*Trepa natans*). The rich aquatic flora facilitates the growth of zooplankton, and microphyte thickets that serve as spawning areas for fish.

5. The Tengiz-Kurgaldzhin (TK) system is located on the crossroads of the Central Asian and Siberian-South European Flyways. Fed by the Nura river, the 2,600 km² system is one of the most important migratory bird wetlands in Kazakhstan. The wetland was designated a Ramsar site in 1974, a strict protected area in 1975, and is to be nominated for World Heritage Site status. Approximately 112 species of waterfowl inhabit TK. The wetland is protected habitat for one of the world's largest nesting populations of Greater flamingo (*Phoenicopterus ruber*), and other rare and globally endangered species like the Dalmatian pelican (*Pelecanus crispus*), the Siberian white crane (*Grus leucogeranus*) listed in the IUCN Red Data Book, the White-headed duck (*Oxyura leucocephala*) (protected under CITES), the Ferruginous duck (*Aythya nyroca*), and the Sociable lapwing (*Chettusia gregaria*). The TK system harbors 17 species of fish, including the endemic "crucian." Seven rare and endemic species of plants occur in the TK complex: *Marsilia strigosa*, *Damasonium alisma*, *Eleocharis oxilepis*, *Nymphaea lutea*, and the relicts *Lemna minor* and *Utricularia intermedia* and the endemic *Potamogeton macrocarpus*.

6. On the Indo-Chinese migratory flyway, Kazakhstan's most important wetland complex is the Alakol and Sassykol (AS) lakes complex. Two hundred fifty-seven species of birds (19 of them endangered) nest in and around the 12,500 hectare Alakol wetland in eastern Kazakhstan. Nominated in 1997 by GoK for listing as a Ramsar site, the AS complex is situated on the territories of Almaty and Eastern-Kazakhstan oblasts, (46 18 N 81 24 E). Alakol Lake is 2650 km², and Sassykol Lake is 736 km². The shores of fresh-water Sassykol are gently sloping and densely covered with reeds. Approximately 249 species of aquatic plants occur in the two lakes; two species (*Trachelomonas pseudofelix*, *Dactylocopsis linearis*) are specially protected. Ichthyofauna consists of 17 species including two specially protected species, Ili marinka (*Schizothorax intermedius*) and the endemic perch (*Perca schrenki*).

7. The shores of saline Alakol Lake are rugged, with large islands providing good nesting habitat. Over 107 species of waterfowl including 15 specially protected species are found here. The rarest bird found here is the Relict gull (*Larus relictus*). Alakol is one of two known nesting places in the world for the Relict gull, the global population of which has recently peaked at 1800 pairs. There are also large numbers of Dalmatian pelican and Eastern white pelican (*Pelecanus crispus*, *Pelecanus onocrotalus*), and the Ferruginous duck (*Aythya nyroca*). Other threatened and endangered species of waterbirds listed in the Red Book of Kazakhstan and known to occur in the project's three wetland sites include: Red-breasted goose (*Branta ruficollis*), Slender-billed curlew (*Numenius tenuirostris*), Black stork (*Ciconia nigra*), Bewick's swan (*Cygnus bewickii*), and the Marbled teal (*Anas angustirostris*).

Socio-economic, Institutional, and Policy Context:

8. Kazakhstan's social and economic situation is one of a country in transition from a centralized system to a free-market system. In 1997-1998, after years of steep declines in the economic, financial, and social sectors, trends for some human development indicators became more favorable, with several actually stabilizing. The Government's policy agenda for the next five years is complex, but overall objectives focus on: a) promoting private sector-led growth, including improving the legal and institutional framework and rehabilitating the physical infrastructure required and b) improving the delivery of social services.

9. Kazakhstan's environment is generally arid and water-limited. Surface freshwater has particular social and economic significance, providing natural food resources (fish and game) and irrigation water to support agricultural development as well as access to mineral resources. In recent years, water-use rights have been ill defined. As a result, water resources in Kazakhstan have been treated as an "open access" resource. Kazakhstan's irrigation infrastructure is in dire need of reconstruction and technological improvement. Stemming from these two problems, control over volume and method of extraction has been inadequate, water use is priced artificially low, and lines of responsibility are not clear. In addition, as a rule, the incomes gained from exploitation of natural resources (including biodiversity resources) do not reach local budgets and are not easily associated with social-economic programs for local people. For example, the controlling authority for issuing fishing permits for Lake Alakol is in Almaty, 600 km away, and none of these revenues are actually recycled into fisheries management at Lake Alakol.

10. The institutional, policy, and regulatory framework affecting Kazakhstan's wetlands is incomplete and the application of it is uncoordinated. Several institutions have legal and policy mandates related to proposed project activities within the realm of the project and at the site level of project activities.

11. The organic law on the environment in Kazakhstan entitled "Law on Environment Protection" was passed in July of 1997. This law provides the overall framework for environment protection in Kazakhstan. The purpose of the law is to prevent pollution and to encourage the rational use of the environment. It is Kazakhstan's most important legal effort to prevent and control land-based pollution of wetlands. The law requires the involvement of local communities and stakeholders in the management of the country's natural resources and for the first time incorporates some free market principles such as the "polluter pays" into Kazakh environmental policy.

12. The Ministry of Ecology and Natural Resources (MNREP) is responsible for implementing Kazakhstan's environmental policy and enforcing "brown" environmental conservation laws – air and water pollution control; oil and other industry environmental standards, and environmental clean-up activities. The MNREP's National Environmental Center for Sustainable Development (NEC/SD) coordinates environmental project preparation and organizes monitoring for MNREP. The representative of NEC/SD participates in the work of NCC, organized by the FFHC for the coordination of various projects, action plans and strategies, important for the improvement of the state of wetlands.

13. The MNREP, through its Forestry, Fishing, and Hunting Committee (FFHC), is responsible for all biodiversity management issues, including migratory birds and wetlands. The FFHC's Department of Protected Areas is responsible for managing most of the system of reserves in cooperation with local and oblast-level akhimits. The "Law on Protection, Reproduction, and Use of Fauna" is one of two laws that regulates biodiversity conservation (the Law on Specially Protected Territories is the other). The Law on Fauna requires wildlife to be sustainably utilized and makes provision for additional regulations to be promulgated as needed. There are no specific provisions for the conservation of migratory birdlife or for wetland ecosystems, one of Kazakhstan's most productive biomes.

14. Passed in 1997, the Law on Specially Protected Territories specifies the various categories of protected areas in Kazakhstan based upon international standards. These designations range from nature conservation areas and national parks to natural monuments and national forests. The protected area system is organized under thirteen different management designations emphasizing different management regimes depending upon the purpose, level of protection, and special features. The current system includes nine zapovedniki, four national parks, 60 game reserves and 24 natural monuments, as well as hunting and wild plant collecting areas.

15. Kazakhstan's agricultural sector has a significant impact on the quality of the country's wetland biodiversity. However, little provision is made under current agricultural laws to officially recognize this impact and develop policies to mitigate it. The "Law on Land," passed in 1995, specifies how Kazakhstan will approach the privatization of land and other natural resources. The Ministry of Agriculture's (MoA) Committee on Land Resources (CLR) is responsible for the nation-wide development of cadastre, as well as the regulations and standards for sustainable land-use. The national Kazakh Farmers Association is based in Almaty and lobbies Parliament on laws and policies of interest to farmers. Each oblast has a Public Farmers Union that serves as a farming cooperative, enabling newly privatized farmers to support one another's efforts in this time of transition.

16. In 1993, Kazakhstan passed a revised law on water rights and water management in Kazakhstan. The new law, entitled "Water Code of the Republic of Kazakhstan" declares that all water resources in Kazakhstan are the property of the State. The Code gives water management responsibility in Kazakhstan to the Committee on Water Resources (CWR) through MNREP's Oblast-level departments and their links with local communities. The CWR is responsible for developing and implementing new water management-related laws to manage Kazakhstan's fresh water resources sustainably and equitably. As part of CWR's work, local Water Users Associations are being established in selected areas of Kazakhstan.

17. The Government of Kazakhstan has issued a series of laws clarifying and protecting property rights in land and other real estate. These include the Constitution, Part One of the Civil Code, the Mortgage Law and the Land Code. On December 25, 1995, a Presidential Decree with the force of law, "On State Registration of Rights and Transactions in Real Estate" (henceforth, Registration Law) was issued. The Registration Law establishes a system for the unified registration of rights in land and real estate. It creates a Registration Body as part of the Ministry of Justice and defines the concept of the Legal Cadastre, which represents the information base

for the registration system. The Law further clarifies the rights that are subject to registration and the general procedures to be followed in registering those rights. The Registration Law leaves open a number of important questions about the practical functioning of the registration system and how environmental concerns (*e.g.* wetlands) will be incorporated into property rights associated with wetland areas.

18. Environmental NGOs in Kazakhstan tend to work primarily in the public education sector and public policy development: the Kazakhstan Zoological Society (KZS) works to increase public awareness of biodiversity-related issues and published the Red Data Book with support from Chevron oil company. The Altai Fund produces movies and posters on Pelican conservation. The National Academy of Sciences' Institute of Zoology, Institute of Botany, and the Institute of Geography support wetland conservation and management with their ongoing research programs.

BASELINE COURSE OF ACTION

Threats to Wetland Biodiversity and their Root Causes: Kazakhstan's wetland biodiversity endowment remains intact in most of its wetland areas, despite some infamous exceptions such as the Aral Sea. Nonetheless, threats to wetland biodiversity have begun to emerge in the last decade of Kazakhstan's transition to a market economy. The threats to the three priority sites are real and pressures from their root causes may in time grow. However it is more than feasible for this project to mitigate these threats and their root causes and the project has been designed to do so. These threats, their respective root causes, and actions to mitigate these root causes are detailed in Annex IV and are summarized below.

Threat 1: Unsustainable use of biological resources

19. The unsustainable use of wetland biological resources in the priority sites is caused in part by an inadequate level of manage and protection for these priority sites. Currently, only two of the sites have sufficient protection status and none are managed at an effective operational level. Another root cause is that wetland biological resources suffer from being in effect "open access" resources. Local communities fish, hunt waterfowl and small game, graze cattle, cut hay, and gather reeds in the three priority wetland areas with little in the way of sustainable parameters to guide this resource use. The resource-use is mostly at the subsistence level, but there are some commercial hunting and fishing operations in the Ural Delta and Alakol Lake. Licenses for fishing and hunting are issued in the absence of scientifically derived quotas, often by agencies hundreds of kilometers from the wetland areas. This lack of accountability and local control has contributed to the decline of Caspian salmon and sturgeon populations in the Ural Delta and the loss of the Balkhash Marinka population in Alakol Lake. Poaching has increased in some places as a result of weak enforcement and the lack of alternative livelihoods and/or traditional property management systems for local people.

Threat #2: Unsustainable-use of water resources

21. Currently Kazakhstan lacks an integrated approach to water resource management where water needs of different users are recognized and equitably balanced among development needs

and the needs of wetlands, for example. The GoK's land and water-use planning programs in Kazakhstan do not accord wetlands the same level of priority as forests or drinking water reservoirs. Water management issues are made more difficult by Kazakhstan's outdated Soviet-era irrigation and water supply structures and methods that waste water. Unless managed in an integrated fashion, a planned water supply system for the new capital city of Astana is a potential threat to Tengiz-Kurgaldzhin wetlands. Kazakhstan's economic difficulties and the resulting sharp decline in industrial and agricultural activities have caused a significant decline in the amount of pollutants emitted into water bodies throughout Kazakhstan. This respite provides Kazakhstan with an opportunity to put into place the necessary policies and regulatory structures to prevent this kind of pollution from occurring when the economy begins to develop more strength. One of the project's priority sites, Tengiz-Kurgaldzhin, is threatened not by ongoing pollution, but by polluted sediment in the bed of the Nura River generated during Soviet times – a historical threat left-over from the Soviet period. A GoK/WB supported effort to clean up the Nura River is mediating this threat. No other discernible impact on the biodiversity of the Ural River Delta or the Alakol/Sassykol Lake has been detected from pollution.

Threat #3: Uncontrolled Visitation/Tourism in Wetland Areas.

22. Tengiz-Kurgaldzhin, Ural River delta, and Alakol are popular tourist destinations for bird watching, recreation, fishing and hunting. Currently the impact such visitation has on bird population is largely unmanaged or controlled. Without guides or inspectors many of these visits involve chaotic driving along the lakeshores that frighten and disturb birds, destruction of the soil and plant cover, pollution from camping and fires, and outright vandalism to nesting colonies. The Government lacks any published entrance fees for visitors, and protected areas lack special accounts for managing any tourism-related income. No boardwalks or other controlled access walks exist in these wetland areas and bird watching sites are not equipped. There is an almost total lack of basic services and suitably equipped rest houses in protected areas. These conditions reduce any kind of benefit properly managed ecotourism can have for protected area management. This means that most visitors receive little to no information on the importance of these wetland habitats.

Baseline: Current and Planned Activities

23. ***Policy and Regulatory Framework for Wetland Management in Kazakhstan.*** Overall GoK policy for biodiversity conservation is discussed in paragraphs 10-17 above. This paragraph summarizes the baseline situation with respect to wetland biodiversity policy. Kazakhstan lacks an effective, national wetland conservation policy and program. A national Implementation Program for the Protection of Wetlands was partially developed in 1993. The program established a national coordination council (NCC) to coordinate intra-governmental efforts to develop and implement a wetlands conservation strategy and action plan. But the required coordination and joint activities among the agencies have not taken place due to frequent organizational changes in GoK Ministries. This lack of an integrated approach exists in the existing legal framework as well. At the present time there are 39 laws in Kazakhstan that touch upon issues important to wetlands or wetland resources. None of these laws give wetlands any specific status. None of them mandate a sustainable utilization regime for wetlands and none adequately assign specific responsibilities for management of wetland areas.

24. There is a corresponding lack of direct responsibility for the conservation and sustainable use of Kazakhstan's wetlands, as the MNREP's State Forest Committee is for forests. And there is a lack of normative legislation to enable various government departments to manage wetlands effectively. There is no national wetland cadastre or conservation program to conserve and sustainably utilize wetlands on a multi-sectoral ecosystem basis. Although GoK has showed biodiversity to be a priority through its on-going policy actions, it simply does not have sufficient budgetary resources to allocate adequate funds to all of its priorities.

However, in Kazakhstan's National Biodiversity Action Plan (NBAP), significant attention has been drawn to the importance of the nation's wetland resources. Wetlands rank as one of the three top priorities for biodiversity conservation action (in addition to forests and combating desertification). In Kazakhstan's National Environmental Action Plan (NEAP) the preservation of water resources and aquatic systems is listed as one of the country's top environmental priorities. Indeed, the GoK in its NEAP lists this project as a top implementation priority for environmental action. The GoK has also been working with USAID to develop a draft "Water Users Association" law for possible consideration in the near future. This kind of approach to developing effective, sustainable water management at the local level bodes well for wetland conservation and these efforts should be tested/demonstrated at the site level. Kazakhstan is participating in a UNEP-GEF Block B funded project development effort entitled: "Conservation Strategies for Wetlands and Migration Corridors required by Siberian Cranes and Other Migratory Waterbirds in Asia and Eastern Europe." The overriding objective is to support the development of a strong flyway approach to conservation to address the threats facing these wetlands, the endangered cranes, as well as other migratory waterbirds sharing the same flyways. The project will be working in the Naurzum wetlands in Kazakhstan (not one of this project's priority sites). The emphasis on trans-boundary planning and management linkages would complement this UNDP-GEF project well.

25. ***Protected Area Management.*** Despite the government's recognition of the significance of the wetlands, higher funding priorities have meant that the GoK has struggled to maintain minimum level management of current Ramsar sites. There is no indication in the existing baseline scenario that this situation will change. Wetlands in general are under-represented in Kazakhstan's existing network of protected areas. Only two out of 15 recommended sites have been legally protected. Management investments in the network of protected areas were significant in the 1970s and 80s but dropped dramatically in the 90s and remain low to this day. Impressively though, despite the loss of financial resources, significant human and institutional resources remain in Kazakhstan. In addition, although the government's funding of protected areas has dropped, it continues to maintain its commitment to biodiversity conservation at the policy level. The precipitous drop in funding for protected area management has moved some concerned staff and citizens to establish an NGO called the "Association of Reserves and National Parks Personnel" or "KORYK" as an NGO to provide capacity building support for protected areas. The participation of a wide-range of stakeholders in wetland management is a new concept in Kazakhstan.

26. Most of the Ural River Delta (URD) is without any special biodiversity management regime. The level of protection and sustainable-use management is inadequate given the significance of the area for migratory birds and fish. A small part of the delta's nesting territory

and spawning habitat was included in 1988 as part of a 20,000 ha local wildlife reserve called “Zolotyonok.” The reserve was established at the request of the local “Atyrau Hunting and Fishing Society” to better enable them to manage part of the wetland as a place where limited, seasonal hunting and fishing is allowed. The Zolotyonok has been fairly well managed on a multiple-use basis by Atyrau Oblast level FFHC in cooperation with the Atyrau Hunting and Fishing Society and could serve as promising model for what can be achieved in partnership between public and private institutions. The URD also receives some indirect protection because it occurs along the edge of the “North Caspian Special Management Zone,” a special environment zone that encompasses all of Kazakhstan’s northern Caspian waters. Although there is no proactive management done by the GoK in this zone, the designation heightens sensitivity to the region’s environment and has helped to leverage work by oil companies to avoid adversely impacting biodiversity resources in the zone.

27. The Caspian Environment Program, supported by GEF, UNDP, EU-TACIS and others has established a “Caspian Regional Technical Center for the Assessment of Transboundary Biodiversity Priorities” in Atyrau, Kazakhstan. This center will provide coordination and technical support for actions taken to protect biodiversity in the Caspian Sea. The Center will gather historical records of changes in biodiversity and will initiate surveys of habitats and biodiversity in each of the Caspian’s five littoral states. The Center will eventually produce a regional overview of the State of Caspian Biodiversity and will develop a Caspian Red Data Book. The presence of the center in Atyrau will provide this project with the opportunity to contribute URD-specific information to the Center’s regional work on Caspian biodiversity.

28. The Tengiz-Kurgaldzhin Zapovednik (TK) was established in 1968 and formally registered as a Ramsar Site, category “A” in 1974. Nearly 75% of the 260,000 ha zapovednik is covered by the water of eight lakes. Because it is a zapovednik, the area has been strictly managed for conservation and research. The MNREP’s FFHC is responsible for the management of the TK reserve. The existing annual budget is only enough for six rangers and a small fund to partly cover scientific employee’s payments. Despite the best intentions of the reserve staff, the lack of funding and a reserve infrastructure that was developed 20 years ago prevents them from conducting more than a bare minimum of management. Active management of the reserve is simply not possible under current conditions. Visitation to the reserve is largely uncontrolled and no tourism revenues are captured by the reserve and re-invested in reserve management. Basic facilities are lacking. The reserve has a designated a three-km buffer zone encompassing one small village, wetlands, pastures and small lakes, but there are no funds to work with local communities in developing sustainable livelihood programs. There is a lack of effective local management of the hunting and fishing resources around TK, yielding few tangible benefits to local communities. The European NGO “NABU” has donated time and expertise as well as some financial support in working with zapovedniki staff for the past three years on joint bird surveys and with local communities on more sustainable livelihood options.

29. Part (17,000-hectare) of the Alakol wetland was officially protected in 1976, when the Oblast established a protected area in 1976. In 1998, the protected area was declared a National Park, and the National Lake Alakol Reserve was placed on GoK’s nomination list for Ramsar status. While this was a good start, scientists agree that in order to encompass the most important natural communities of the lake, an additional 150,000 hectares should to be brought

under special management. Due to funding constraints there is no operational management program for biodiversity in the AS Park. No mechanism exists whereby the Reserve can capture some revenues from productive activities within its boundaries in order to fund ongoing management of the biodiversity resources. Reserve staff developed a management plan in 1999 calling for the establishment of limited hunting areas and the provision of technical equipment for Reserve staff. However, local people were not actively involved in the plan's development and there is not sufficient funding to implement it. Stakeholders are learning that it is not enough to apply a "fences and fines" approach to protection activities in order to provide effective management of the Reserve and buffer zone. Instead all stakeholders should be involved, including Akhmat officials, the WRC and LRC, the Ili-Balkhash Basin Fish Inspection Service, the Hunters Society and other NGOs.

30. *Research, Monitoring & Enforcement:* The expert capacity to carry out effective research and monitoring in Kazakhstan exists. In recent years, however, no complete assessments have been conducted in any of the reserves and there is little infrastructure in place to support targeted research for adaptive management. Baseline information about the biodiversity of the three site areas is uneven and comprised of a few particular taxonomic groups. There has been no effective monitoring of indicator species, although this is required to measure future hunting impacts and other threats, including land use changes outside of the reserves. At the national level, there is an extensive collection of plant specimens at the National Herbarium and a limited geographic database at the Academy of Sciences. The Kazakh Amateur Birder Society conducts research on threatened sandpipers.

31. Multiple government organizations are responsible for the various issues of importance to the URD wetland site. The Atyrau Oblast Environmental Management Department monitors water quality at 11 points along the Ural River on a frequent basis. The program monitors physical and chemical parameters of Ural River water quality. No program exists for monitoring Ural River delta habitat quality or species numbers and composition. The local fish management agency, Kazneerx, is responsible for monitoring fish resources, but no proactive program exists and little financial support is available. The Ural-Caspian Fishery Protection Department is responsible for protecting the sturgeon fishery as determined by the limit set by Kazneerx. Kazakh academic institutes conduct detailed surveys in the delta and nearby Caspian Sea area, but are able to do this work only on contract with government or interested private parties (a.k.a. the oil consortium OKIOC). Official policy is to integrate these responsibilities and actions of the different institutions, but this is a new concept in Kazakhstan and will take some practices. The GEF-supported Caspian Environment Program plans on strengthening the trans-boundary, regional monitoring of biodiversity and the environment. In addition, UNEP is developing a regional GEF proposal to conserve Siberian crane habitat in several countries, one of them being Kazakhstan. This UNDP project will work closely with the UNEP project developers to include specific, meaningful linkages between the two projects' monitoring and lessons learned initiatives.

32. Tengiz-Kurgaldjy State Reserve staff operated a ongoing research and monitoring program within the reserve covering the conditions of the wetlands' major biotic and abiotic resources for more than 20 years. This monitoring program was halted in 1994 due to lack of funding. Some new research and monitoring work has been undertaken recently with the support of NABU. A new research and monitoring program was developed in 1998 but very few actions can actually

be implemented without additional financial support. The Karaganda Ecological Center conducts research on threatened species of sand-pipers in and Nura river basin. Currently, no systematic research and monitoring program is under implementation in Alakol/Sassykol. In 1999 the Alakol Reserve developed a 10-year research and monitoring program for the Reserve's key animal and plant species and communities, but the absence of predictable financial support from the Government has prevented the implementation of this plan. The Central Asia Zoological Society conducts research and conservation work on and in the Alakol lakes in order to have them listed by the Ramsar Convention, but this work is infrequent and not coordinated with reserve management.

33. ***Public Awareness and Support.*** Currently in Kazakhstan the focus is on maintaining protected area operations at the lowest levels in the face of difficult economic times. No adaptive management would take place in the absence of this GEF intervention. Public awareness of the values of wetlands and the need for wetland conservation is minimal. Given the difficult situation that Kazakhstan's protected areas find themselves, little to no money will be spent on public awareness activities. Existing low-level public awareness raising activities (posters on wetland conservation in the TK area) would be implemented by the FFHC. There are several NGOs in Kazakhstan involved in environmental public awareness raising. The main purpose of the NGO "Nature Protection Society of Kazakhstan" (NPS) is to raise the level of environmental awareness in Kazakhstan. With the occasional support of international NGOs (IUCN, WWF, WI, and UNEP), the NPS has made some progress in reaching out to school children, but these activities are sporadic and not systematic. The GreenPeace Society of Kazakhstan is another NGO involved in organizing an occasional public awareness rally. Other regional NGOs are involved in awareness raising at the local level around Kazakhstan, including the EcoCenter in Karaganda, and CaspiTabigati and the Center of Biodiversity in Atyrau. In Kazakhstan, the school curriculum related to the environment (ecology, biology, wildlife) is of a general nature and is not designed to focus on local places (wetlands) or issues. There is a real need to develop specific teaching materials designed to be interesting to children in the new millennium.

Sustainable use of Productive Landscape Around Priority Sites

34. ***Alternative livelihood Development:*** Under current conditions, the 20,000 people who live near the three wetland sites will continue to live a largely self-supporting, subsistence lifestyle that relies heavily upon nature's bounty. No special programs will be implemented to enable local stakeholders to develop new and alternative livelihoods. Under normal conditions, the three protected areas will not have the necessary resources to be able to work with local communities to enable people to develop alternative livelihood options, nor will they be able to attract these resources.

35. Ural River Delta (URD) wetland resources are managed by the local Ural-Caspian Basin Department of Fish Resources under the Akhimat of Atyrau Oblast. No proactive, integrated management of the delta's wetland resources is being undertaken and there is no overall plan to sustainably manage the delta as part of the greater landscape. The MNREP's FFHC, Committee of Water Resources and Oblast Department of Ecology and the MoA's Committee of Land Resources do not manage wetland resources in an integrated fashion. Integrating the need for

maintaining healthy levels of biological diversity with economic development initiatives is not a priority. Existing Oblast laws and policies are sufficient to guide the sustainable use of fish and wildlife resources, but they are rarely enforced due to lack of emphasis on sustainability. The commercial fishing enterprise “Atyraubalyk” operates two sturgeon hatcheries near the URD and is the primary stakeholder in the delta. The Kazakh Fish Resources Institute defines annual fish catch quotas, but with no funding for fieldwork, quotas are established with little scientific basis. In addition, the current management regime does not recognize the importance of a healthy delta wetland ecosystem.

36. Approximately 7,300 people inhabit six villages and hamlets in the area immediately adjacent to Ural River delta. The main kinds of economic activity undertaken by commercial cooperatives and private individuals are fishing and agriculture (cattle raising, farming, hay procurement). Fishing is conducted in the delta’s waters either by a relatively unorganized group of individual subsistence fishermen or by Atyraubalyk, the Government sanctioned sturgeon/caviar producing monopoly. Government-run commercial production of caviar and sturgeon fish totals approximately 550 tons/year. Nearly 1,400 tons fish were caught within the borders of the wetland in 1998. Approximately 7,000 hectares of agricultural lands are utilized around the delta area and support approximately 1,200 cattle and over 100 home gardens. The economic difficulties in Kazakhstan have created conditions where keeping home gardens and poaching fish and waterfowl are the only ways for many local villagers to survive. Oil exploration is growing in the areas of the Caspian off shore from the delta and may become a major source of economic growth in the region.

37. The area around the Tengiz-Kurgaldzhin Zapovedniki includes two settlements, Abai village (pop. 5,458) and Nygman village (pop. 136). Local people are employed in agriculture, hunting and fishing activities, and education, health and public services. Nygman village is situated within the protection zone of the reserve. The people of this village survive on basic welfare payments and their own subsistence production, including fish and waterfowl taken from the reserve area. In the current situation, this is the only option for people living in this village to feed their families. The people do not have access to credit and no program to enable them to develop alternative livelihoods has been elaborated or is being implemented by any government or NGO entity. Nearly 13,000 ha of fallow dryland wheat farms surround the TK system. Local people keep approximately 300 cattle in the area and an estimated 40 tons of fish and 10,000 waterfowl are harvested annually. No studies have been done in recent years as to whether these yields represent scientifically appropriate MSY.

38. The GoK is working to modernize the country’s outdated irrigation infrastructure through a large program with the World Bank. This bodes well for improving the efficiency of water use in Kazakhstan. The long-term health of the Tengiz-Kurgaldzhin wetlands is dependent upon the quality and quantity of water allowed to flow into the wetland area from the two major contributing rivers. Currently, there is no integrated management program under development or implementation that seeks to balance the anthropogenic needs for water upstream with the wetland’s need for water downstream. This is even more of an important need, given that the new capital city of Astana is in the process of securing sufficient water supplies for future use. The most important natural resources of the wetland area are the huge populations of fish in the lakes and equally large numbers of year-round and seasonal waterfowl. Limited fishing was

allowed in the reserve's Lake Esei from 1994-97. There is no active biological resource management being conducted, apart from a periodic and inadequate adjustment of the water level in the lakes to improve habitat conditions for birds. In the Karateren Lakes area where the project plans a demonstration activity, there is a Government program to help local people develop alternative livelihoods like small-scale irrigation to support watermelon and other melon and squash farming, cattle production, pond-based fish production, and the organization of hunting and fishing tours. These priorities for alternative livelihoods do not include any kind of initiative to assist local people in restoring biological diversity/migratory bird wetland habitat while they restore their own livelihoods.

39. Alakol/Sassykol Lakes (AS) Reserve officials are responsible for management of resources within the reserve itself. But there is no overt plan to manage the wetland as part of the surrounding landscape. There is no regional structure that would manage fish and game resources for example and the Alakol Akhimat exercises general control over activities in the region. Outside the protected area, natural resource management is the responsibility of the Ili-Balkhash Basin Fisheries Service, the Oblast Environmental Inspection Service, the Taldykorgan Regional Forestry Department, and the Alakol Hunters Society. However, this management lacks any overall proactive approach and does not seek to maximize the health of the wetland resources. Instead, it is limited to sporadic, disparate enforcement actions by different groups. There is no coordination of these actions at the Oblast or regional level, and with the economic obstacles at present, enforcement effectiveness is low. Local stakeholders/decision-makers are not specifically responsible for wetland management in the AS area, nor do they receive the benefits from the exploitation of AS resources. There is no common program to manage wetland biological resources. The lack of inter-sectoral cooperation among the various departments, along with the general lack of financial support from the Government, prevents the improvement of wetland resource management. Though fishing and waterfowl hunting are licensed, the actual level of control over these activities is currently minimal. This fact, combined with the severe economic difficulties has resulted in high levels of illegal fish and game extraction.

40. Within the borders of the projected Alakol-Sassykol wetland area there are nine settlements with a combined population of 9,200. Officially, the unemployment level hovers at approximately 60%. The people who are employed work in agriculture, fishing, hunting, and education and public health. Agricultural production has dropped dramatically in this part of Kazakhstan, resulting in the closing of the local fish and sugar beet processing plants three years ago. People now sustain themselves by tending their own small vegetable plots and raising cattle, hunting and fishing. Fishing is the largest economic activity in this region and approximately 3,000 tons of fish are caught annually. Officials from the central government grant fishing licenses for semi-commercial enterprises. 10,000 waterfowl are shot annually and 32,000 muskrat trapped. Alakol fisherfolk do not have suitable equipment and processing units for fishing. Traditionally local authorities have preferred larger, more mechanized groups, but this reduces the possibility for significant income and employment generation. A few new small hotels have been built on the lake in recent years, but tourism infrastructure is still poor.

RATIONALE AND OBJECTIVES (GEF ALTERNATIVE STRATEGY)

41. The Government of Kazakhstan recognizes the significance of the country's wetland biodiversity and has invested in the past to conserve priority areas. However, given the difficulties during its current social and economic transition, additional assistance is needed in order to help Kazakhstan conserve and sustainably utilize wetland biodiversity during this crucial transition period.

42. In Kazakhstan, dramatic social and economic free-market reforms have created new challenges for sustainable land and water resource management. A lack of experience in how to meet these challenges has led in part to the neglect and unsustainable use of Kazakhstan's globally significant wetland areas and their attendant biodiversity. In Kazakhstan, the existing legal and regulatory frameworks do not sufficiently promote the sustainable conservation and utilization of wetland resources. New land ownership patterns, a lack of experience in the cooperative management of public resources with private landowners, narrowly focused water management policies, and reduced funding for protected area management has led to the practical absence of active wetland conservation management.

43. The GEF supported alternative is designed to provide a policy and regulatory framework to support wetland conservation and sustainable use. There are over 30 wetland sites in Kazakhstan that meet or exceed Ramsar criteria and that are of recognized global significance for their importance to Euro-Asian migratory birdlife. The GEF supported alternative is designed at the ground level to integrate biodiversity conservation and sustainable development in three (3) priority protected sites and the relevant surrounding landscape. The three protected area sites lie along different migratory flyways and each site was chosen by an expert committee in part because each enables the project to demonstrate solutions to different challenges facing management of Kazakhstan's wetland biodiversity resources.

- 1) The Ural River Delta wetland will enable the project to demonstrate locally based public-private, multiple-use wetland management with an emphasis in the productive landscape on demonstrating effective partnerships between public (government), NGOs, and the private (commercial) organizations.
- 2) The Tengiz-Kurgaldzhin site will enable the project to demonstrate a more open and effective management approach for zapovedniki (strictly protected natural areas) in Kazakhstan's new social and economic landscape. Emphasis will be placed upon demonstrating more sustainable water resource management with a river basin management perspective.
- 3) Alakol-Sassykol site will enable the project to demonstrate a more open and effective management approach for zakazniki (wildlife reserves). Emphasis in the surrounding productive landscape will be upon developing commercially viable, yet sustainable and biodiversity-friendly eco-tourism.

PROJECT COMPONENTS AND EXPECTED RESULTS

Output 1: A national integrated institutional, policy and regulatory framework for wetland biodiversity conservation and management. (GEF: US\$520,000 ; Non-GEF: US\$440,000)

44. Output 1 is designed to improve the overall institutional and policy support for wetland conservation in Kazakhstan. Currently, it is inadequate and this serves as an existing barrier to wetland conservation. Activities under Output 1 will construct **an integrated wetland biodiversity conservation and management institutional, legal, and regulatory framework** to support the conservation and sustainable-use of wetland biodiversity. At the center of this national structure will be a “National Wetlands Conservation Law.” The law and policy structure will also rely on existing laws (e.g. Land Law and Water Law), whose specific aspects have been modified to make them more effective in supporting wetland conservation. These modifications would ensure that the reasonable needs of wetland ecosystems are considered when apportioning water to various users. Sustainable management incentives for local wetland users will be included in the new regulatory structure. Local communities will be granted usufruct rights over wetland resources. In addition, the regulatory framework will require government agencies to apply some sustainable development approaches in areas around priority wetlands and make commitments to maintain wetland health by ensuring an adequate supply of water to priority wetland areas.

45. An inter-ministerial board (IMB) will be established to oversee coordination and cooperation for wetland management. The IMB will include representation from authorities and national-level stakeholder groups with responsibilities for wetland issues, such as agriculture, hunting, mining, health, water, and land management. The IMB will facilitate the integrated sectoral approach to developing and implementing wetland conservation policies. The IMB will spearhead the development of an intersectoral guide to implementing Kazakhstan’s 39 laws that touch upon issues important to wetland conservation and management. This will then be distributed among the different national and local administrations and workshops held to brief officials on how to use it.

46. To ensure that the IMB’s inter-sectoral coordination is effectively implemented at the regional and local level, the IMB will be represented at the local level through the local representatives of its member institutions. A permit system will be developed for activities affecting wetlands. Existing environmental impact assessment programs will be strengthened with wetland-specific concerns. The framework will elevate the status of wetlands to that of a valuable, productive resource, similar to that currently accorded to forests and drinking water supplies. The international status of Kazakhstan’s wetlands will also be given a boost under this component. Activities will assist the GoK in completing its application to join the Ramsar Convention.

47. Wetland management capacity at the national and oblast level will be improved. Policy experts’ knowledge on how to assess values and services provided by wetlands will be strengthened, as will their knowledge on how to include tax and financial incentives in the regulatory framework for wetland conservation. In-country training will be conducted and study

tours organized to a country with model wetland conservation laws appropriate to Kazakhstan's context. Guidelines will be prepared for the regional akhimats to ensure that the various users of wetland resources undertake integrated management measures. Wetland management expertise of staff in key departments of the MNREP and MoA will be established. Awareness of the value and importance of wetlands will be raised among policy makers.

48. Activities under this Output will also improve existing **enforcement programs** at each of the three sites by cross-authorization agreements between and among relevant government agencies. To this end, the project will strengthen the oblast level DoE to ensure coordination and collaboration among government agencies and other stakeholders. For example, currently protected area officials do not have authority to mitigate the impacts on wetland biodiversity from pollution flowing from other parts of the watershed because their jurisdiction ends with the area boundary. The same is true for fisheries officials in protected area waters. The strengthened linkages under the project will result in the development of cooperative, cross-authorization among the key environment and natural resource management agencies. This will include the **strengthening of existing laws and policies** necessary for biodiversity conservation for wetlands. Secondly, wetland resource management in priority sites will be improved by enabling local stakeholders to establish **user rights agreements** (URAs) among themselves and with landowners and government agencies where appropriate. This will be done through consultations among local users, and the MoA's CoWR and the MNREP. These URAs will complement existing government enforcement programs, laws and policies.

Output 2: Strengthened Protected Area Operations (GEF: US\$3,320,000; Non-GEF: US\$ 4,410,000)

49. Activities under this output will focus on strengthening the operations of the three protected wetland sites. GEF funds will finance most of "Output 2" with GoK funds going towards increasing the number of park rangers and the expansion of the three protected wetlands– Ural River Delta, Tengiz Kurgaldzhin and Alakol/Sassykol.

50. Activities under this output will strengthen the management presence at each of the three areas in a manner appropriate for each site based upon expert recommendation and consultations with local communities and officials. A new, national-level protected area will be established in the URD. The buffer zone of the TK zapovednik will be expanded and the TK complex nominated for Biosphere Reserve status. The Alakol protected area will be expanded to include critical habitat for rare species now lying outside the protected area boundary. The GoK will assign additional staff to Park management. GEF financing will fund most of the costs of improving the management capacity and infrastructure of the protected wetland sites. Modest **new field structures, interpretive facilities and ranger housing and equipment** necessary will be provided to carry out the required tasks of park management, research and monitoring.

51. **Training** will be carried out to strengthen the overall management capacities of three protected areas. Training will be provided to protected area staff in relevant fields, including conservation biology, species management, and community-based management approaches to biodiversity conservation. In addition, training will promote a common understanding of integrated wetland management and practical knowledge in how to deal with day-to-day

situations and public awareness. Training will also be provided on how to integrate biodiversity concerns into existing management of fisheries, water resource management, and the use of wildlife. **Existing rules and regulations and their enforcement will be strengthened** to enable rangers to more effectively enforce laws against habitat destruction in the protected areas. **Cooperative enforcement regimes** will be developed and among the Department of Protected Areas/FFHC, DoE, CLR, CWR, fishing and hunting associations and farm cooperatives.

52. A **community-based management approach** to conserve biodiversity in each of the three protected areas. A **memorandum of agreement** will be developed between local communities and their corresponding protected area. Stakeholder committees for each protected area will be established and **participatory management plans** developed in each of the three wetland areas. The project will support the involvement of local community leaders in consultations leading to the expansion of **park boundaries** and the **full demarcation of these boundaries** as well as the different **management zones** in the three protected areas. Species and natural community management programs will be developed, focussing on the highest priority species and habitats for special management. A **habitat management program** will be undertaken for the priority habitats in each of the three protected areas.

53. The ability and proclivity of protected area staff to practice **adaptive management** will be improved. In order to manage wetlands effectively, it is necessary to have adequate knowledge of their functioning. GEF resources will finance **targeted biodiversity research and monitoring** to address the problem of insufficient information for proactive management of wetland protected areas. Inventories will be conducted of each priority site in order to qualify and quantify the ecological, cultural and traditional resources of each wetland site. This would then become the baseline situation against which all future monitoring efforts would compare their results. A systematic **monitoring and information management program** will be developed to support the conservation of biodiversity within each of the protected areas and the demonstration site. For example, the three protected areas will monitor habitat quality, fauna and flora numbers and locations, and level of resource use (where allowed). This work will also be an important component of the project's M&E program.

54. A **research committee** of experts from regional research institutions will be formed, management-oriented **research priorities defined**, and targeted research proposals considered. For example, particular areas that may deserve attention are the identification and quantification of wetland values, landscape functioning and modification and sustainability of wetland biodiversity use. These latter proposals will be co-financed by GEF and other donors. A systematic monitoring and information management (GIS) program will be established in the protected areas. The necessary **equipment** will be provided to expand the capacity (equipment, knowledge) of the Department of Protected Areas to focus on the integrated management issues central to wetland conservation. Performance evaluations will consider how management actions were influenced by ongoing research and monitoring activities.

55. Building upon this idea of adaptive management, activities under Output #2 will also focus on establishing an effective double-loop learning process, where an analysis is conducted, lessons are learned, and those lessons applied to re-orient management. This process will enable wetland management to progress in a measurable, effective manner. **Best practices** for wetland

conservation and management will be developed through ongoing review and analysis of project experiences. **Information sharing** will be emphasized. Staff from other protected areas will be invited to project progress meetings and reports and other materials will be distributed widely. **Regional cooperation** on migratory bird wetland habitat conservation will be strengthened through data sharing and management exchanges.

Output 3: Increased stakeholder awareness and support. (GEF: 1,180,000; Non-GEF: 290,000)

56. Under Output #3, the values of wetlands will be widely promoted in educational programmes and to the general public and to targeted stakeholder groups like hunters and fisherfolk. Activities under Output 3 will **impart conservation values** at the local, oblast, and to a lesser extent, the national level in order to develop the support for long-term wetland conservation efforts. Easy to understand field guides for birds (to enable hunters to avoid shooting rare species) and wetland plant groups will be produced and distributed through stakeholder organizations and other channels. Interpretation and visitor facilities will be developed in each of the protected areas. The awareness program will also stress the **important ecological services** provided to society by healthy wetlands and the economic benefits of managing wetland resources in a sustainable fashion.

57. A program for **environmental education** will be developed and carried out, focusing on wetland biodiversity conservation issues. This program will include the development of teaching aids and training of schoolteachers. The costs of protected area staff reaching out to local youth (not part of their regular job) will be supported through GEF financing. A **youth wetland conservation corps** will be created to involve students in wetland site conservation activities. Youth corps leaders will undergo a one-month training program before assuming their duties. Youth groups will be taken on field trips into the wetlands and by Park staff and involved in habitat management and species conservation activities.

Output 4: Stakeholders Empowered to Sustainably Utilize the Productive Landscape around Priority Sites. (GEF: US\$2,000,000 Non-GEF: US\$20,055,000)

58. This output focuses on the landscape immediately surrounding the wetland sites. Co-financing will finance overall sustainable development activities necessary to enable stakeholders to develop alternative livelihoods and for integrated wetland management of the demonstration sites.

The project will leverage co-financing to bolster the sustainable development baseline in the productive landscape surrounding the priority sites. The two key threats to wetland biodiversity in Kazakhstan are 1) unsustainable use of water resources and 2) unsustainable use of biological resources. The three most serious root causes of these threats are a lack of alternative livelihoods; a lack of effective local-level property regimes; and a lack of experience in integrated management. Co-financing under this output will support activities designed to remove these root causes and thereby neutralize the key threats to wetland biodiversity in the productive landscape. Due in part to the severe economic slow-down, potential threats to wetlands are much diminished in recent years, providing a strategic window of opportunity to

establish a new precedent for biodiversity-friendly development in the productive landscape. GEF resources will be utilized to fund incremental activities to top-up this sustainable development baseline and contribute to the conservation of globally significant biodiversity.

59. The first set of activities under Output #4 will empower **stakeholders** in the productive landscape surrounding the priority sites **to develop sustainable alternative livelihood options**. This activity will be developed in close consultation with UNDP-Nepal, where an innovative Parks and People project is has achieved notable success in empowering stakeholders in buffer zone areas. These activities will be largely financed by non-GEF sources because they seek to bolster the sustainable development baseline. GEF resources will support activities designed to modify existing uses of biodiversity.

60. One of the most pervasive threats to wetland biodiversity in Kazakhstan is the over-harvesting of wetland biological resources. Peoples' lack of alternative livelihood options is one root cause of this threat, as is the lack of an effective property regime for wetland fisheries and waterfowl resources. In addition, a lack of appropriate technology prevents people from adopting a more sustainable resource use regime in the fishery sector as well. PDF Block B consultations with stakeholders revealed a ready willingness to abandon destructive activities if only appropriate alternatives were available. The project is designed to address these issues directly by enabling local people to develop alternative livelihoods, strengthening property regimes and demonstrating appropriate technologies.

61. **User groups** comprised of local people will be established in areas around wetland sites where surveys have found people to have direct interaction with the wetland area. These user groups will interact directly with the protected area and will be the organized social unit through which the project will offer its alternative livelihood assistance¹. The project will enable local stakeholders, especially women, to **undertake sustainable alternative livelihood options** by enabling them to form group savings accounts and access their own capital as well as providing them with access to micro-credit and small business development advice. Partnerships have been developed with other interested donors to support a **micro-credit program** and a **business development office** that will provide wetland users with access to capital in helping them to adopt sustainable alternative livelihoods. Additional co-funding will support the viability of these new livelihoods. Criteria will be developed to determine who is eligible for support and how project ideas will be judged.

62. The second set of activities to produce Output #4 will be to develop and implement a **sustainable development framework for each of the sites**. This framework will focus on how to integrate biodiversity conservation into productive sector activities the areas surrounding the wetland sites. GoK and co-financing resources will finance an enhanced **monitoring program** to address the problem of insufficient information for sustainable management of areas surrounding demonstration wetlands. This will be done with the Ural River and Caspian Sea coastline outside of the URD protected area as well as with the Nura River upstream from the Tengiz-Kurgaldzhin Reserve. In the URD, this work will be closely coordinated with the CEP, in order provide a regional inter-governmental support to the national commitment to reduce and

¹ This approach to be developed with guidance from UNDP-Nepal's "Parks and People" project and other best practice experiences.

eliminate negative environmental impacts from oil exploration on transboundary biodiversity, including implications for the URD wetlands.

63. GEF resources will top-up these sustainable management efforts with incremental **biodiversity conservation and monitoring framework** for the same areas. It will determine important biodiversity conservation and environment protection criteria for incorporation into the integrated landscape management other development plans and activities associated with the wetland sites. GEF funds would be used to **strengthen the MNREP** as the responsible authority for the implementation of the landscape framework management plan.

64. To catalyze these sustainable livelihood initiatives, the project has leveraged substantial co-funding to support the development of “wetland-friendly” sustainable fishery resource and water resource management regimes. GEF will also provide incremental funding to facilitate adequate consideration of biodiversity issues in these sustainable fishery resource and water resource management activities. The project will enable stakeholders to develop an effective property management regime (based upon the user group structure) for fish resources in the Ural River delta area and Alakol Lake. The project will leverage a “re-orientation” in existing fishery **resource management, improving** it using GoK resources by strengthening of community cooperatives, the establishment of proactive enforcement regimes. GEF will top this up by supporting activities to introduce less harmful, more biodiversity friendly fishing practices.

65. Co-funded activities leveraged by the project will demonstrate sustainable water resource management. Unsustainable use of water resources is a primary threat to wetland biodiversity in Kazakhstan. UNDP co-funding will implement a **sustainable, community-level irrigation development project**. GEF funds will top-up UNDP’s project by supporting activities that will **demonstrate biodiversity-friendly irrigation methods and principles**. GEF funding will enable stakeholders to develop biodiversity-friendly guidelines for sustainable development activities in the areas surrounding the special protected areas. These guidelines will complement baseline economic development activities in areas surrounding the protected areas. A community management approach for biodiversity friendly irrigation practices will be demonstrated as part of a UNDP’s community irrigation initiative. A community-based monitoring program will be developed as part of the project’s incremental demonstration of biodiversity friendly irrigation practices.

66. The Nura River is the primary contributor of fresh water to the Tengiz-Kurgaldzhin complex. GoK co-funding will implement a **Nura River clean-up project** and an Astana **water supply project** so that they consider and maximize the potential beneficial impact of their activities on the Tengiz-Kurgaldzhin wetlands. GoK and the WB will work with the project to incorporate wetland ecosystem health maintenance criteria in river clean-up and water supply development programs. This will include a specific commitment from GoK to provide the Tengiz wetland system with at least the minimum water needs for maintaining wetland health and committing to this provision in perpetuity. This will also involve the installation of some additional water quality monitoring stations on the Nura just upstream from the TK wetland complex. GEF co-funding will top-up this GoK-WB co-financing for the project by helping to integrate biodiversity conservation priorities into the national and regional government’s water resources management program, particularly as a demonstration effort in the Tengiz area.

Output 5: Migratory Bird Wetland Conservation Fund (MBWCF): (GEF: \$1,690,000; Non-GEF: \$4,500,000)

67. GEF's experience to date with long-term funding mechanisms shows that they can be a promising way to separate unpredictable government's budget commitments from basic financing for protected areas. This output has been included in the project as a way to strengthen and leverage the GoK's commitment to globally significant wetland protected area management. The proposed Migratory Bird Wetland Conservation Fund would be used to ensure the sustainability of activities in the priority sites under this project. The fund would cover the recurrent costs of such activities in the priority areas as well as the costs of replicating activities in other globally significant wetland sites in Kazakhstan. The project would establish a Migratory Bird Wetland Conservation Fund to provide reliable funding for re-current costs managing the three priority wetland sites. The Fund would be established in three steps based on emerging best practice: Design and Consultation, Commencement, and Capitalization and Operations.

68. **Step 1: Design and Consultation:** A two day workshop would be held to launch the Fund's design stage, co-sponsored by UNDP, GoK and an international wetlands conservation organization. The workshop would provide information regarding conservation funds, workable conservation fund structures, board composition, and funding priorities. The specific outcome of the workshop will be a schedule to produce specific recommendations on the best operational structure of the LTFM itself, including appointment of trustees, eligibility criteria for grantees, disbursement procedures, reporting requirements, and asset management arrangements. These recommendations would draw heavily from the GEF Evaluation of Conservation Trust Funds. For example, experience with the Mongolia Environmental Trust Fund shows that trust funds may have different funding windows, and there is a risk that GEF funds may end up being directed to non-GEF eligible activities. Therefore, this LTFM will be designed so that it specifically covers the recurrent cost of managing the three project sites. The recommendations would then be submitted to the GoK and GEF for endorsement final endorsement.

69. **Step 2: Commencement.** A timetable of events leading to the operationalization of the Trust Fund would be developed during the first six months of project implementation. In order to begin operating the Fund, all the necessary legal measures must be undertaken in order to establish the MBWCF. The Fund would be registered under Kazakh law as a not-for-profit, non-governmental organization. The by-laws would be drafted, as would the operating guidelines and procedures. The initial board would be selected, and the Director of the Fund would be recruited in an open, competitive process. A representative from an international wetlands conservation organization would be selected to serve as the Fund's international operations advisor during the first two years of operation.

70. **Step 3: MBWCF Capitalization:** The Fund would be capitalized at US\$6 million. Assuming an annual real rate of return of 6%, a \$6 million capitalization would be necessary to generate the \$360,000 required to meet the following costs: \$60,000 per year for administrative and monitoring; \$180,000 annually for recurrent costs of managing the CSNR and SNR; and the balance of \$120,000 to support activities under Output 2 (ecological research and monitoring), Output 3 (education and awareness building), and Output 4 (site-area stakeholder

empowerment). GEF's contributions to the Fund would occur in tranches. The first tranche would be released following an initial GEF evaluation to confirm that best practices in fund design and GEF eligibility criteria have been met. Subsequent to a positive evaluation, the GEF would release US\$500,000 contingent upon matching funds being secured on a 1:3, GEF:Co-financing ratio. The second tranche of US\$500,000, also contingent upon a 1:3 match, would be released by the end of the project's second year of operation. The third and final tranche of US\$500,000, also contingent upon a 1:3 ratio, would be released by the end of the project's fourth year of operation following a final GEF evaluation to ensure that the absorptive capacity for Fund operations exists and that matching requirements have been satisfied.

71. End of project situation: By the time the project completes its work, the project will have assisted the Government in increasing its long-term priority to wetland biodiversity conservation. Government agencies, non-governmental entities and local communities will be maintaining and improving the integrity and viability of Kazakhstan's priority wetland ecosystems. A national wetlands policy and regulatory framework will be approved and in place, facilitating the mainstreaming of wetland biodiversity conservation issues. Policy makers will be applying new policy tools to wetland conservation and wetland criteria will be integrated into existing property regimes governing land and water ownership. The number of hectares under active wetland conservation management will have increased by 100%. The three globally significant migratory bird wetland habitat protected areas will have demonstrated management in a well-planned and effective manner. Community-based management will be the norm in each site and protected area managers will utilize effective, low-input research and monitoring activities to support their adaptive management of the three protected area sites. Staff will apply newly acquired, up-to-date principles in conservation biology and community based management. And the project will have assisted the Government in establishing a long-term funding mechanism that ensures the financial sustainability of biodiversity conservation efforts.

72. Learning and evaluating will be a more important part of wetland biodiversity conservation and management. Wetland stakeholders will be more aware and more supportive of the purpose and objective of wetland conservation in the priority sites. Thousands of school children will be visiting wetland sites each year, learning about the Kazakhstan's wetland biodiversity. Wetland managers will be applying a double-loop learning process to wetland management whereby lessons will be learned and best practices to wetland conservation in Kazakhstan developed and disseminated. Stronger regional connections (data sharing, management exchanges) among migratory bird habitat managers will be in evidence. Stakeholders will be enabled to conserve and sustainably utilize biodiversity in the productive landscape around the priority sites. Small-scale irrigators throughout Kazakhstan will be applying basic principles and lessons learned on biodiversity "friendly" irrigation management. People living in communities nearby the three priority wetland areas will be developing alternative livelihoods with the support of micro-credit and small business development services. As a result, pressure on wetland biodiversity resources will be declining. And finally, the MBWCF will have been established to ensure the long-term sustainability of activities in the project's priority wetland sites.

73. Project Beneficiaries:

- a. Ministry of Natural Resources and Environment Protection, Ministry of Agriculture
- b. Policy specialists and protected area staff

- c. Communities in areas surrounding the three wetland sites
- d. The private sector in site areas involved in fisheries, agriculture, and tourism
- e. Global community

74. **Stakeholder Participation in Project Design:** For a summary of stakeholder participation in project implementation, please see Annex V. The development of this project under the PDF Block B benefited from active stakeholder participation. A steering committee comprised of representatives from key stakeholder groups (national government, regional government, regional NGOs, local NGOs, and local communities around the three sites) oversaw the entire process. A one-day workshop involving nearly 20 Kazakh experts was held in the early stages of the Block B to select the top three priority wetland sites. Detailed information on current and existing activities relative to the project was gathered by government and NGO stakeholder institutions under the Block B process. NGOs from the sit area participated in a consultation workshop to initiate project development. Socio-economic surveys and community consultations were conducted in each site area. A stakeholder meeting was held for government and non-government institutions to finalize roles and responsibilities for project implementation. A technical workshop was also held with wetland biodiversity experts to clarify priority actions for conservation.

75. Kazakhstan's GEF focal point (MNREP) has endorsed this project as one of the country's top biodiversity priorities. See Annex VII for this endorsement. The MNREP has also developed a 30-year National Plan for Sustainable Development under which 19 concepts for projects have been identified and shared with GEF. One of these projects is the Development of the System of Specially Protected Natural Territories and Ecotourism. . Apart from this, the GoK has completed its GEF-supported project to develop a national biodiversity strategy and action plan. Two of the seven priority ecosystems identified under this strategy and action plan are 1) wetland ecosystems and 2) river ecosystems. Official recognition of the importance of Kazakhstan's wetlands was also given in the form of Governmental Decree #607, in July of 1993. Although Kazakhstan is not a signatory to the Bonn Convention, Kazakhstan has followed the spirit of this Convention by pursuing bilateral conservation measures with its neighbors. A memorandum on the protection of the Siberian cranes and thin-beak curlew was signed with Russia. In addition, a bilateral agreement signed in 1993 by Kazakhstan and India entitled "Conservation of Migratory Birds" enables the exchange of scientists, information on migratory bird conservation actions, and survey counts. In addition, although Kazakhstan has been working informally with the Ramsar Convention Secretariat, Kazakhstan is planning to become a signatory to the Ramsar Convention during 2001.

76. In 1996, Kazakhstan developed a national plan for achieving environmental security, entitled "A Program for Environmental Security in Kazakhstan." The program is the policy foundation for the NEAP and declares basic principles, priorities and the strategic objective of environmental security as the basis for sustainable development in Kazakhstan. Both the NEAP and the Kazakhstan's 2030 Strategy call for the conservation of the nation's wetland resources. The MNREP elaborated a "Program for the Implementation of 1998-2000 Strategic Plan for Ecology and Natural Resources." The Program seeks to improve the environmental management sector in part by improving the management of the nation's wetland resources.

77. **Eligibility under the CBD:** This project is designed to support the primary objectives of the CBD: the conservation of biological diversity, the sustainable-use of its components, and the equitable sharing of the benefits arising out of the utilization of these components. By integrating conservation and sustainable use of biodiversity into relevant plans and policies, the project will fulfil the requirements of Article 6: General Measures for Conservation and Sustainable Use. Article 7: Identification and Monitoring and Article 8: In-situ Conservation will be supported through the strengthening of Park management and the targeted species and habitat management, research and monitoring program. Article 10: Sustainable Use of Components of Biological Diversity will be furthered through the development and demonstration of alternative, sustainable livelihood options that avoid or minimize adverse impacts on biological diversity, providing incentives for sustainable use (Article 11: Incentive Measures). The project also supports Article 12: Research and Training by promoting targeted research on priority biodiversity in wetlands, providing training in technical and managerial areas, and developing linkages for exchange of information (Article 17: Exchange of Information). Education and awareness raising is also a project priority (Article 13). In addition, the design of the project adheres to the principles contained in the Joint Work Plan (1998) between the CBD and Ramsar Convention on Wetlands.

78. **Eligibility for GEF Financing:** The project is eligible for GEF assistance under Operational Program #2 Coastal, Marine, and Freshwater Ecosystems, and will generate substantial global benefits. Kazakhstan is a recipient of UNDP technical assistance and a participant in the restructured GEF as of March 1998 is eligible according to the article 9(b) of the GEF instrument.

79. The global significance of the wetlands under this project and their attendant biodiversity is without question. The Tengiz-Kurgaldzhin wetland complex is a registered Ramsar sites. The Alakol/Sasskyol and Ural River Delta wetland sites are at the top of Kazakhstan's Ramsar nomination list, meeting all the Ramsar criteria for globally significant wetlands. Indeed, the global significance of Kazakhstan's migratory bird wetland habitat is described in two letters of note from the Ramsar Convention Secretariat to the Government of Kazakhstan. These wetlands are also recognized in various other international publications from Wetlands International, IUCN, and birdlike International. Country commitment to this project is also very strong. This project development effort has been country driven, being consistent with relevant National Policies and Strategies for the conservation and sustainable use of biological diversity. Both the National Biodiversity Strategy and Action Plan and the National Environmental Action Program (1997) specifically call for conservation and sustainable utilization of wetland ecosystems as a top priority. Indeed, the NEAP actually lists this project as an implementation priority for water and water systems conservation.

5. PROJECT IMPLEMENTATION AND STAKEHOLDER PARTICIPATION

80. **Implementation and Execution Arrangements:** The implementation arrangements for the project have been designed to maximize and yet balance: efficiency, transparency, and participatory decision-making. A National Project Steering Council will be formed (NPSC) to provide overall guidance and support to project implementation activities. Prior approval from the NPSC for all major project initiatives and sub-contracts will be required. The NPSC will consist of the Vice-Minister of the MNREP, the Director of National Parks, the vice-Minister of

Agriculture, the Vice Minister of Education and Science, the vice Minister of Finance, the UNDP Resident Representative, World Bank, Jibek-Joli Tourism Company, and one other private organization.

81. One member of the NPSC will be designated as the National Project Manager. The NPM will be a Government official working full time for and paid by the Government. He/she will be a member of the NPSC and will be responsible for the management oversight of project implementation activities. Reporting to the NPM will be the National Project Coordinator (NPC). The NPC will be a full time employee of the project and will be chosen in an open and fair competitive basis following UNDP standard hiring procedures. The NPC will be in day-to-day charge of implementing the project. He/she will oversee a modest national-level project Implementation Group (IG -- two experts plus support staff). The NPM will serve as the link between the IG and the NPSC.

82. Each of the three sites will have a local level Site Implementation Committee (SIC). The SIC will be comprised of representatives from key stakeholder groups at the oblast/site level: from the Oblast Akhmat, the Oblast level branches of the MNREP and MoA, and two local NGO organizations, and up to two co-funding institutions. Specific SIC membership will be determined by the NPSC. The SIC will have real authority, through the individual authority of its members, to ensure that the project can do what it is designed to do. The SIC will also ensure that project implementation activities are open to stakeholder input. The SIC approve the workplan for each of the site areas. Government officials or other co-funder representatives from the private or bilateral entities on the SIC will be responsible for ensuring that co-funding support is provided in a timely and effective manner. The NPC will also oversee the project's modestly staffed Site Expert Groups (SEG) at the three site levels. Each SEG will be comprised of one site coordinator (UNV or senior local expert) and two subject area specialists (UNVs or local experts). SEG staff will be hired by UNDP using standard UNDP hiring procedures.

83. **Stakeholder input to project implementation:** The following is a summary description. A more detailed description of stakeholder involvement in project implementation is provided in Annex 5. The project is designed to utilize a participatory process of fine-tuning and implementing effective solutions to existing wetland conservation problems. Stakeholders will have direct input to the project's implementation at the national level through the NPSC, which will meet semi-annually to review project progress. At the site level, stakeholders will have direct input to the project's implementation through the SICs and the community-level SPCs that will be established for each of the priority sites. The monitoring and evaluation process (including the APR and TPR) will provide opportunities for stakeholder feedback via the periodic surveys that will be conducted.

6. INCREMENTAL COSTS AND PROJECT FINANCING

84. **Incremental Costs:** The incremental cost of the project for activities that are expected to provide global environmental benefits is estimated at US\$8,847,200 (including the Block B budget of 137,200). Leveraged co-financing from non-GEF resources associated with the GEF alternative project is estimated at US\$29,695,000. The total project cost, including the PDF B, amounts to US\$38,542,200. Please see Annex I for details.

85. Cost Effectiveness: This project is designed to be cost-effective and produce project outputs for the least amount of money possible. Working in three different sites, the project has been designed to achieve some economies of scale with respect to developing and implementing various management programs in the three sites. GEF's Block B investment has leveraged substantial co-financing to meet the sustainable development baseline. The project will implement several demonstrations in sustainable and biodiversity-friendly practices in the productive landscape. These initiatives cost-effectively demonstrate long-term sustainability of biodiversity conservation and wetland management in and beyond the specific areas when replicated. Initiatives established under this project will be appropriate to the abilities of key players to sustain them over the long-term. The project will also establish cost-effective partnerships among key stakeholders, spreading responsibilities for addressing conservation needs among a range of actors. For example, project activities in the Ural River Delta will be closely coordinated with the work of the Caspian Environment Program's Regional Center for Biodiversity and where practicable, activities will be conducted jointly with resulting savings and increased effectiveness. The participatory approach taken by the project should be cost effective in that it will engender greater stakeholder "ownership" of conservation efforts, improving the chances of successful outcomes.

86. Budget

Project Outputs:	GEF	Co-financing	Total (US\$)
1. Policy and Regulatory Framework	520,000	440,000	960,000
• Development of policy/regulatory framework	110,000	100,000	
• Guidelines for implementation of NWL	55,000	100,000	
• Established and operational inter-ministerial board	55,000	50,000	
• Legislation on community biodiversity management & use	55,000	25,000	
• Integrating environmental standards into LL and LEP	55,000	100,000	
• Policy makers able to apply new tools and analyses	110,000	25,000	
• Improved GoK Environmental Policy Enforcement	55,000	50,000	
• National ecotourism guidelines established	25,000	40,000	
2. Strengthened Operations in 3 Protected Areas	3,320,000	4,410,000	7,730,000
• Expansion of areas/demarcated boundaries	410,000	1,390,000	
• Increased number of PA staff		1,660,000	
• Community-based biodiversity management plans	330,000	90,000	
• Improved enforcement	160,000	510,000	
• Training program for Park staff	545,000	190,000	
• Biodiversity-friendly ecotourism guidelines	90,000		
• Species and habitat management plans	330,000		
• Targeted research programs/info management	625,000	520,000	
• Strengthened infrastructure/improved equipment	830,000	50,000	
3. Applied learning and Awareness	1,180,000	290,000	1,470,000
• Awareness and environmental education	285,000	170,000	
• Field guides on wetland/migratory bird species	80,000	20,000	
• Produce/construct displays for visitor centers	165,000	50,000	
• Students studying and appreciating wetland biodiversity	220,000	50,000	

• Monitoring and evaluation/best practices	355,000		
• Central Asian Conference on wetland management	75,000		
4. Enabled Biodiversity Cons in Prod Landscape	2,000,000	20,055,000	22,055,000
• Micro-credit program/alternative livelihood investment		1,475,000	
• Expert input to enable biodiversity-oriented investment	260,000		
• Sustainable-use framework management plan		310,000	
• Biodiversity conservation framework for site areas	210,000		
• Strengthened environmental management		300,000	
• Training in biodi management to environmental officials	210,000		
• Incorporating biodiversity into sustainable land-use plans	250,000	350,000	
• Monitoring program (biodiversity/pollution)	315,000	625,000	
• Biodiversity-friendly agricultural practices	75,000	265,000	
• Sustainable eco-tourism enterprise development		1,000,000	
<i>Sustainable Fisheries management</i>			
• Strengthened co-ops/User rights agreements	110,000	825,000	
• Re-oriented existing fishery programs		1,565,000	
• Integration of biodiversity as criteria in fishery mngmnt	310,000		
<i>Sustainable water resources development</i>			
• Nura River Clean-up		10,000,000	
• Community irrigation water management		3,340,000	
• Demonstrate biodiversity friendly water mngmnt	260,000		
5. Migratory Bird Wetland Conservation Fund	1,690,000	4,500,000	6,190,000
• Expert input/Stakeholder Consultations	55,000		
• Design of Structure/Training	75,000		
• Promotional material & efforts	60,000		
• Capital investment	1,500,000	4,500,000	
Sub-Total:	8,710,000	29,695,000	38,405,000
[Block B budget]	137,200		137,200
Total:	\$8,847,200	\$29,695,000	\$38,542,200

7. RISKS AND SUSTAINABILITY

87. Project Risks: One risk facing the project is that *macro economic factors* could worsen, increasing the pressure on wetland resources for short-term commercial gains rather than long-term and partially non-commercial ones. While this is not expected to happen, the project is designed to anticipate these risks and proactively mitigate them by dealing directly with the social and economic factors behind wetland degradation and improving the livelihoods of local people. Annex II provides additional information on project risks.

88. Sustainability in the face of a change in *governmental priorities*: Another risk is the potential for a sudden shift in governmental priorities with a change in government. The potential for this kind of risk scenario is low, given the commitment of the federal and oblast governments is indicated both through their development of wetlands and biodiversity strategies, and a significant financial commitment to co-financed activities, even in a time of economic crisis. However, to mitigate this risk will require the positive, active involvement of all relevant

stakeholders, including Federal, oblast and local government agencies, commercial and industrial enterprises and local communities in the site areas.

89. In addition, the project is designed to build sustainability in the face of changing priorities. Many of the activities proposed to counter specific threats, such as biodiversity overlays and innovative policy tools involve low or no recurrent costs. The alternative livelihood activities, such as the development of user group savings accounts will also be sustainably self-financing. With the support of this GEF intervention, some of the activities, such the demonstrations of biodiversity-friendly water management and agriculture, will show that the alternative strategy is cost neutral. In general, the project will avoid creating systems requiring expensive maintenance and upkeep.

90. Overall, the project has been designed to minimize risk. Risk reduction in conservation and sustainable use activities has been a key consideration in the design of the project, from the management structure to the strategic approach, to the integration of best practices. Lessons learned from other projects have been brought to bear on the design of this project. Careful attention has been paid to other similar projects (e.g., UNDP-GEF Malaysian Wetlands, China Wetlands). Best practice reviews have also been consulted regarding relevant material² in order to improve the effectiveness of the project's design and reduce risk.

91. Kazakhstan's inherent funding limitations rule-out any long-term support of an expensive wetland conservation program. This project has therefore been designed in order to maximize the long-term institutional and financial sustainability of project-inspired activities. Existing institutions will be strengthened and used to implement most of the project's activities. Institutional sustainability will be ensured through capacity building of key stakeholder groups (government departments, village institutions, and NGOs) by strengthening their conservation capacity. Only the role of inter-ministerial coordination will be filled by a new Board to be established by the GoK.

92. Over the life of the project, partnerships among government, NGOs, the private sector, and local communities will be established to sustain integrated conservation efforts in the long-term. The project will employ a sustainable approach for the development of sustainable livelihoods by providing training through demonstration initiatives and empowering local resource users to effectively create their own capital through joint savings accounts and to confidently be able to access micro-credit support in the form of small loans. Sound and practical methods for resolving conflicts, improved planning and management of protected areas, and strong institutions and human resources for the planning and management of coastal zone development activities are also important. Legal mandates must be clear in order to successfully integrate the activities of diverse sectors. By the end of the project, the regular FFHC, MNREP, and MoA budgets will absorb the sustainable development baseline costs. The project will work with government, other donors and the private sector to mobilize resources to finance sustainable alternative livelihood options. The recurrent cost of biodiversity conservation activities is

² Nakashima, S. 1997. Integrated Coastal Management as Best Practice in GEF Project Development: Lessons from Biodiversity Projects in Marine, Coastal and Freshwater Ecosystems. Unpublished. UNDP-GEF, New York, New York, USA.

presently estimated at US\$ 300,000 per year, representing an additional US\$ 200,000 to the existing US\$ 100,000 per year (approximately provided by the Government). These costs will be absorbed by the LTFM to be capitalized with at least US\$5 million during the life of the project. The LTFM would therefore provide further assurances to the sustainability of project outputs.

8. MONITORING, EVALUATION AND LESSONS LEARNED

93. Monitoring. This project has a comprehensive monitoring and evaluation program included in its overall design. An information baseline on ecosystem structure and function and sustainable use will be established during the first year of the project in order to provide a basis for future monitoring and evaluation. Project progress will be monitored by measuring the populations of indicator species. Specific indicators of wetland ecosystem/biodiversity health will be developed after baseline surveys are completed during the project's first year. Progress will also be monitored by: 1) conducting ecological surveys within the site areas to determine specific health and size of key habitats and richness of habitat mosaic; 2) measuring water quality; 3) conducting attitude and awareness level surveys of key stakeholder groups, from top-level policy makers to local village level stakeholders; and 4) conduct economic surveys of local communities around wetland site areas to quantify their use of wetland resources and their current income levels. This monitoring will be ongoing, involving data collection and assessment of the project's field implementation and will involve key project staff and UNDP counterparts meeting annually to review operations and field implementation and assessing whether new priorities require a shift in the project priorities.

94. Evaluation: Outcomes will be evaluated by measuring indicators of ecosystem health and function as well as sustainable use. In addition, annual participatory evaluation exercises will be undertaken with key stakeholders, including local communities, NGOs, and partner organizations. UNDP will report on project performance to the GEF at the annual Project Implementation Review (PIR). The project will document the lessons learned, and make it available to stakeholders over the worldwide web.

95. This monitoring work will feed directly into the project's periodic evaluation exercises. The project manager will be required to produce an Annual Project Report (APR) annually. The report is designed to obtain the independent views of the main stakeholders of a project on its relevance, performance and the likelihood of its success. The APR then supports an annual Tripartite Review (TPR) meeting -- the highest policy-level meeting of the parties directly involved in the implementation of a project. The participants are the Government, UNDP, project management, and other stakeholders. They consider the progress of a project based on the APR. UNDP will also report the results of this ongoing monitoring and evaluation conducted by UNDP to the GEF Secretariat during the annual PIR.

96. Three external evaluations are scheduled, one in year two, one in year four and a final review just near the end of the project. These independent evaluations of project performance will match project progress against predetermined success indicators. Each evaluation of the project will document lessons learned, identify challenges, and provide recommendations to improve performance. The logical framework for this project sets out a range of impact/implementation

indicators that will be used to gauge impact. Success and failure will be determined in part by monitoring relative changes in baseline conditions established in the biological, ecological and economic arenas at the beginning of the project. Baseline conditions will be defined with respect to wetland habitat size and condition and population size of indicator species to ensure that viable populations of these species are present in perpetuity. Indicator species that are sensitive to habitat change and indicative of increased hunting pressure will be identified and monitored. If populations of indicator, rare, or endangered species are shown to be in decline, proper measures will be taken to identify the reason for the decline and alternative management strategies to ensure the long-term health of populations will be developed and incorporated into site management plans and operations.

97. Further monitoring of the sites will be carried out through the use of satellite imagery. This information will be compared with the existing wetland habitat map that will be refined as ground-truthing data is collected over the course of the project. Periodic comparisons over time (initially every 1.5 years) will be carried out to see what kinds of changes have occurred. If incursions are identified, a plan will be developed to deal with these land-use changes. Further, new satellite image technologies that will become available in the next three years will enable Kazakhstan wetland managers to detect changes at a much higher resolution than has been possible in the past.

98. The involvement of appropriate interest groups and stakeholders is a challenging task, and the right balance between establishing new coordinating and governing bodies for the project and the use and inclusion of existing institutions, organisations and user groups is a delicate one to find. The project's progress on this front will be evaluated as part of its periodic monitoring and evaluation exercises, particularly w/respect to the Project Steering Committee and the Site Implementation Committees.

99. **Lessons Learned:** Double-loop learning is crucial in order to “close the loop” of the project cycle (design, implementation, evaluation, review, design) and steadily improve the quality of GEF project design. This project has been designed with specific activities to capture these lessons and share them with other, future project development and design work. The Ramsar Convention on Wetland's “Guidance on the Implementation of the Wise Use Concept” has provided useful technical advice that has improved the design of this project *vis-à-vis* the establishment of national policies and institutions and raising the level of public knowledge and awareness of wetland values. In addition, the UNDP-GEF evaluation (Nakashima 1997) yielded useful and germane lessons for this wetland project. Government multi-sectoral coordination and enforcement bodies were found to be a strategic component of wetland biodiversity projects. A lengthy and sustained process was found to be necessary to achieve biodiversity conservation using an integrated management framework. Experience in Uruguay demonstrates that development of integrated management policy and its acceptance does not occur quickly. In most cases, the projects must establish a sustainable institutional mechanism, with strong government commitment, for integrated management and conservation of biodiversity. To meet this objective, they must provide technical expertise for issue identification, biodiversity assessments, environmental surveys, public awareness building, training, legal and institutional analysis, GIS and databases, and the supervisory focus for managing all these activities. Lessons learned suggest that a two-track approach be used to build capacity at the national policy level

(regulations and institutions) while at the same time integrating implementation activities at the local and community level.

100. Replication. Sound methods for resolving conflicts, improved management of protected areas, strong institutions for the planning and management of wetland development activities, and clear legal mandates are important in order to successfully integrate the activities of diverse sectors. This project has been designed to apply significant effort in developing lessons learned and facilitating the sharing of information and replication of successful methodologies. A regional conference on wetland conservation will be organized towards the end of the project to share lessons learned. Lessons will be shared with the Ramsar Bureau, for example. The Ramsar Bureau has a mechanism by which new approaches to conservation and sustainable use can be shared with and incorporated by other wetland conservation efforts around the world.

List of Annexes:

- Annex A: Incremental Cost Analysis
- Annex B: Logical Framework/Project Planning Matrix
- Annex C: Scientific Technical Advisory Panel Technical Review

Optional Annexes (Available upon request):

- Annex D: “Threats/Root Causes/Activities to Mitigate Threats” Table
- Annex E: Local Community/Stakeholder Participation in Project Implementation
- Annex F: Map of Priority Sites
- Annex G: GEF Focal Point Endorsement
- Annex H: Stakeholder Institutional Profiles
- Annex I: Globally significant biodiversity by project site
- Annex J: Project Categorisation Sheet

ANNEX A INCREMENTAL COST ANALYSIS

1. Broad Development Goals:

1.1 The Government of Kazakhstan has recognized the importance of conserving its rich biological heritage by ratifying the Convention on Biological Diversity in September 1994. Both the NBSAP (1998) and the NEAP (1997) specifically call for conservation and sustainable utilization of wetland ecosystems as a top priority. Two of the seven priority ecosystems identified under the NBSAP are 1) wetland ecosystems and 2) river ecosystems. The MNREP has also developed a 30-year National Plan for Sustainable Development under which 19 concepts for projects have been identified and shared with GEF. One of these projects is the Development of the System of Specially Protected Natural Territories and ecotourism. Although Kazakhstan is not a signatory to the Bonn Convention, Kazakhstan has followed the spirit of the Convention by pursuing bilateral conservation measures with its neighbors. A memorandum on the protection of the Siberian cranes and thin-beak curlew was signed with Russia and a bilateral agreement with India entitled "Conservation of Migratory Birds" enables the exchange of scientists, information on migratory bird conservation and survey counts. Kazakhstan has been working informally with the Ramsar Convention Secretariat. Nearly all of the required preparations and formalities for joining the Convention have been completed and GoK is planning to become a signatory in 2000.

2 Baseline (Business as Usual):

2.1 Despite the GoK's policy goals, there remains a considerable unmet need for migratory bird wetland habitat conservation. This section describes existing and planned activities as well as existing gaps that would normally occur in the absence of the GEF Alternative project. *Policy and Regulatory Framework.* Kazakhstan lacks an effective, national wetland conservation policy and program. Exhibiting national-level policy interest in wetland conservation, the MNREP took the first steps toward establishing Kazakhstan's first national Implementation Program for the Protection of Wetlands was in 1998. The MNREP established a National Coordination Committee (NCC) on wetland conservation in 1998 to coordinate intra-governmental efforts to develop and implement a wetlands conservation strategy and action plan. At the same time, a working group was established to facilitate Kazakhstan's ratification of the Ramsar Wetlands Convention with inter-ministerial and NGO representation. The NCC consisted of representatives from the MNREP's FFHC and MoA's Water Resources Committee, Academy of Science, and NGOs. However, it soon became apparent that the NCC was established ahead of its time, due to the myriad "moving strains" experienced by GoK as it moved all Government offices from Almaty to Astana and other towns in the northern part of Kazakhstan. For example, the FFHC has been transferred back and forth between the MNREP and MoA and currently resides in the MNREP. The past two years experience has shown that wetland conservation requires a multi-sectoral effort. It is necessary to involve Oblast and regional administrations, village-level organizations, NGOs, natural resources users, and scientists, in this work. Now that GoK is more settled from its move, the timing is better for launching these more collaborative efforts.

2.2 *Protected Area Management.* In a business as usual scenario, the MNREP/FFHC will provide \$546,000 in baseline financing for the next seven years for the management of TK and AS site areas. The URD site would not be managed as a protected area. Despite best intentions

on the part of GoK, this funding is insufficient to implement even a reasonably scaled-back version of the sites' current management needs. Government allocations are inadequate and vary from year to year. Consequently, under baseline conditions, the sites will continue to operate at a minimal operational level. In the absence of the project, no participatory management of the sites would be undertaken. No systematic, focussed management of key species and habitats would occur and key wetland habitat would remain under stress. The present staffing of 20 full-time staff would be able to implement 40% of the existing management plans for TK and AS over the next seven years. In the absence of the project, there would be minimal systematic research and no monitoring and evaluation program for the sites over the next seven years. Baseline funding for environmental research programs in the sites area totals approximately \$700,000 over the next seven years. Plus, international groups who are working on this issue in Alakol and Kurgaldzheno region will be co-funding partners in this initiative. Although funding is limited, Kazakhstan possesses a surfeit of dedicated, skilled field biologists. Government is trying to keep this skilled capital and has financed fieldwork and surveys this past year on waterfowl resources, muskrat ecology/population, and endangered species.

2.3 Government plans research on game species and wildlife inventories. Funding for wetland-oriented research by national Institutes for Zoology, Geography and Botany has been cut 90% in recent years and what remains is sporadic and unpredictable. While this is inadequate, the Kazakh Academy of Sciences has many qualified scientists and small-scale, local research programs at the protected area site level proceed when funding is available. But this work would not be site specific to the priority sites and it would not be used to support any specific management objectives or programs. In Alakol and Sassykol lakes system, monitoring research is still conducted despite funding difficulties, but only on some special species, like the relict gull. Research work in Ural River Delta is fulfilled in the framework of the Caspian Environmental Program. The division of biodiversity conservation and management functions between the MoA and the MNREP-FFHC has led to a near total lack of active wetland biodiversity management by FFHC.

2.4 The Caspian Environment Program, supported by GEF, UNDP, EU-TACIS and others has established a "Caspian Regional Technical Center for the Assessment of Transboundary Biodiversity Priorities" in Atyrau, Kazakhstan. The center will provide coordination and technical support for actions taken to protect biodiversity in the Caspian Sea. The Center will gather historical biodiversity records and will initiate surveys of habitats and biodiversity in each of the Sea's five littoral states. The Center will eventually produce a regional overview of the State of Caspian Biodiversity and will develop a Caspian Red Data Book. The presence of the Center in Atyrau will enable this project to contribute URD-related information to the Center's regional work on Caspian biodiversity and vice-versa.

2.5 Increased emphasis on communication and learning among management stakeholders and increased awareness and support among local communities. Currently, in Kazakhstan, the focus is on maintaining protected area operations at the lowest levels in the face of difficult economic times. No adaptive management would take place in the absence of this GEF intervention.

Given the difficult situation that Kazakhstan's protected areas find themselves, little to no money will be spent on public awareness activities. Existing low-level public awareness raising activities (posters on wetland conservation in the TK area) would be implemented by the FFHC. Kazakhstan has a number of active environmental awareness NGOs funded through individual donations, the media, and foundations. The sphere of their activities includes environmental training for the local people, participation in large scale actions such as: "Earth day," "Biodiversity day," and "Wetlands day." Financing of US\$50,000 would be provided for these activities, in the absence of the GEF intervention.

2.6 Sustainable use of Productive Landscape around Priority Sites. Under the current and planned activity scenario, the Government of Kazakhstan will be taking steps to remove some of the key threats to wetland ecosystem health identified by this project. Unsustainable use of water resources in one of those threats and pollution is identified as a dormant threat that could re-emerge as an important threat in the future as Kazakhstan's economy recovers. A large project entitled the "Northern Environment Management and Rehabilitation Project" (US\$52 million) will: 1) clean-up residual toxic waste in the Nura River (primary contributor of freshwater to the TK wetland site) establish pollution control mechanisms; provide a sustainable water supply for Astana and Karaganda, using in part Nura River water; and rehabilitating sewer systems in the Nura river basin. However, although most of the components of this project are beneficial to the TK wetland, the project, as it stands now, will be implemented without any specific guidance on how it can be carried out so that it maximizes the beneficial impact on the TK wetland complex and mitigates any potential negative impacts.

2.7 The Fish Resources Basin Management Agencies, the Ministry of Agriculture, and MNREP are the primary agency responsible for regulating economic activities in the rural landscape around the priority sites. The FRBMA's mandate is to serve primarily as a revenue generating mechanism for Government. Consequently, emphasis is placed upon production of fish resources rather than developing and enforcing a sustainable fishery management regime. Little proactive management is undertaken to maintain a certain baseline of biodiversity or ecological health in the waters that comprise the buffer zone around the site areas. Enforcement of existing wildlife laws is insufficient to achieve the desired result and no mechanism exists for developing a coordinated management approach to eliminating threats to the sites' biological diversity that emanate from the areas around them.

2.8 Baseline fishery resource management in URD and AS would continue to be focussed on protecting the sturgeon fishery in URD while increasing catch levels with minimal enforcement of regulations designed to protect the overall health of the wetland ecosystem. No commercial fishery exists in the TK area. In the AS, private enterprise is investing in commercial-level fishing, but most independent fishers are marginalized. Cooperative, community management of wetland resources will continue to be a distant possibility and the non-sturgeon fisheries will continue to be an open access resource. No property regime will be enforced among individual fisherfolk to manage or control access to them. Baseline financing for fishery management programs around URD and AS will total approximately US\$1,520,680 over the next seven years.

2.9 Provision of Sustainable Livelihoods. Existing livelihood-related programs in the buffer zone area will continue to ignore the development of sustainable alternatives. Women's needs would continue to be inadequately addressed. In the majority of cases, people would have little to no access to credit, resulting in more pressure on the resource in order to maintain subsistence level livelihoods. The information gap would most likely grow wider; fisherfolk and other stakeholders would continue to be unaware of alternative options. As a result more people will take up unsustainable livelihoods as a "last resort," increasing unsustainable pressure on the biodiversity resource from over-fishing and over hunting.

2.10 Baseline financing for livelihood development in the productive landscape around the three sites is unpredictable and sporadic. Last years eco-tourism (scientific tourism, international hunting, international fishing, and birdwatching) was developed in Kazakhstan quite effectively. The Ministry of Culture, Tourism and Sport is responsible for eco-tourism development and spends approximately US\$150,000/year participating in tourism service fairs in European and Asian markets. There are several Faculties on tourism, including eco-tourism in Kazakhstan. International ecotourism would be limited to a few hundred hardy tourists a year coming to see birds at TK. National ecotourism would continue with visits to TK increasing, given its proximity to the new capital city, Astana. None of the site areas, however, would have any mechanism in place to capture some revenue from visitors.

2.11 The GoK "Privatization Assistance Project" (US\$15 million) will proceed to support the development of newly privatized farms and agro-enterprises in key agricultural areas of Kazakhstan to improve rural productivity and incomes in the Almaty Oblast (Alakol Sassykol) and in the Akmola Oblast (Tengiz Kurgaldzhin). GoK's program for support of small business and the extension of microcredit is just developing in Kazakhstan, including in the project site areas. This system is in the early stages of development and it is still quite difficult for the average Kazakh person to get access to credit. Currently, GoK and commercial banks do provide credit but the documentation requirements are onerous enough to discourage the vast majority of potential borrowers. GoK's and UNDP's program to support women's livelihood development initiatives in priority areas around Kazakhstan has produced very promising results will be extended to the Ural River Delta site and perhaps the other two.

2.12 A long-term financing mechanism as envisioned by the project does not exist. The government has some sort of mechanism whereby it does allocate \$ 100,000 per year for PA management. However, there are problems with this "mechanism," and the project is proposing a more viable, sustainable alternative. Although the potential exists for capitalising a funding mechanism from tourism and natural resource exploitation revenues, no long term funding mechanism exists or would be developed for wetlands over the course of the next seven years.

3 GEF Alternative

3.1. This project proposes an alternative approach to address the root causes of the main threats to the sites' wetland biodiversity, with significant funding from partners other than GEF. The Alternative will do this by enabling stakeholders to conserve the biodiversity in a sustainable manner. This project will modify the baseline/business as usual scenario with GEF incremental funding for activities that provide global environmental benefits and complemented by co-

financing for those sustainable development activities necessary to provide global environmental benefits. A portion of the co-financing will go to project activities that provide global environmental benefits, notably for the strengthening of the protected area management operations, and public awareness. Co-financing will also reduce threats related to habitat destruction and the over-harvesting of biological resource emanating from outside wetland areas by enabling stakeholders to sustainably utilize biological resources. The following is a description of the proposed GEF Alternative.

3.2. *A national integrated wetland biodiversity conservation and management policy and regulatory structure:* Building upon its own earlier efforts with the NCC and the Wetlands Working Group, the GoK will establish an innovative government institutional, policy and regulatory framework for the integration of biodiversity conservation into land and water use policies at a national level. An inter-ministerial board (IMB) will be established to facilitate wetland conservation work and a supportive policy and regulatory framework developed. This framework will serve as a key integrating mechanism for developing solutions to the multi-sectoral problems facing wetland conservation. The framework will strengthen the present structures for coordination and integration.

3.3. *Well planned, effective protected area operations:* GEF financing will strengthen the management of the priority sites. The project will strengthen the priority sites by helping the stakeholders to establish a community-based approach to PA management, helping stakeholders to establish proactive, participatory community management plans. Boundaries will be demarcated and with community involvement, priority habitat zones will be defined. Priority habitats will be restored and active ecosystem/species management underway. Infrastructure of the PA (or site areas) will be improved, including some modest new field structures and equipment necessary to carry out required tasks. Enforcement of existing rules and regulations will be strengthened by a new government commitment and co-financing to assign more wardens to the PA. In addition, existing law and policy gaps will be “filled” in order to enable BR managers to more effectively enforce existing rules and regulations. Modest GEF funding will support the development of eco-tourism guidelines and a framework minimizing impact on the PA’s biodiversity of the development of low-scale eco-tourism industry in key areas of the buffer zone. Co-funding will support the actual development of an eco-tourism program for these areas.

3.4. GEF funding will support the establishment of a systematic research, monitoring and information management program to support the conservation of biodiversity within the site areas. The program will establish a systematic program of targeted research and monitoring and data management. A wetland research committee will be formed of representatives from key research institutions, management-oriented research priorities defined and requests for proposals published. The GoK will re-orient existing research funds so as to focus on priorities established by the research committee and GEF will provide some complementary targeted research support. A systematic monitoring program will be established in collaboration with institutions with relevant capacities. The GoK has agreed to continue to fund water quality monitoring work for the three major rivers contributing water to the three site areas a more proactive pollution monitoring program. This will support the adaptive management approach to integrated biodiversity conservation and wetland management.

3.5. *Increased emphasis on communication and learning among management stakeholders and increased awareness and support among local communities.* GEF funds will support the development of an adaptive management approach under this project that enables wetland stakeholders to learn while doing and develop best practices for wetland conservation and sustainable use. A learning system will use information from the targeted research studies and monitoring program to employ an adaptive management approach to decision-making and implementation of development interventions in the project area. GEF funds will also support educational and media outreach programs. A sophisticated yet technologically and culturally appropriate approach will be developed targeting stakeholders in the wetland areas as well as decision-makers in government and the private sector at local, regional and national levels. Supplemental classroom materials will be developed and teachers trained in their use.

3.6. *Sustainable use of Productive Landscape around Priority Sites.* The GEF Alternative is designed to deal effectively with the landscape context of the wetland sites by leveraging co-financing to finance overall sustainable development activities necessary for integrated wetland management of the demonstration sites. This co-financing will support activities designed to address the threats to wetland biodiversity in the productive landscape caused by a lack of alternative livelihoods, appropriate technology, and a lack of experience in integrated management. Due to Kazakhstan's economic transition and its associated economic difficulties, not every wetland faces clear and present threats from development activities, providing a transition "window of opportunity" to establish a new precedent for biodiversity-friendly development in the productive landscape. GEF resources will be utilized to fund incremental activities that top-up this sustainable development baseline and contribute directly to the conservation of globally significant biodiversity. For example, biodiversity management criteria will be integrated into community-based water management regimes, micro-credit support programs, toxic waste cleanup efforts, and a water supply development program.

3.7. The GEF Alternative will empower stakeholders in the productive landscape surrounding the priority sites to develop sustainable alternative livelihood options. These activities will be largely financed by non-GEF sources because they seek to bolster the sustainable development baseline. GEF resources will support activities designed to modify existing uses of biodiversity. One of the most pervasive threats to wetland biodiversity in Kazakhstan is the overharvesting of wetland biological resources. The GEF alternative is designed to reduce the pressure on the wetland biological diversity to a sustainable, manageable level by enabling stakeholders to develop alternatives to currently unsustainable practices. Barriers related to technology transfer, lack of stakeholder familiarity with alternative options, and lack of access to fair, micro-credit will be overcome.

3.8. *User groups* comprised of local people will be formed in areas around wetland sites where surveys have found people to have direct interaction with the wetland area. These user groups will interact directly with the protected area and will be the organized social unit through which the project will offer its alternative livelihood assistance. Leveraged UNDP and sector co-financing will support the provision of capital to stakeholder groups participating in project inspired livelihood modification programs through the development of a micro-credit program. The project will enable local stakeholders, especially women, by providing them with access to micro-credit and small business development advice. Additional co-funding will support the

viability of these new livelihoods. Criteria will be developed to determine who is eligible for support and how project ideas will be judged.

3.9. The *sustainable development framework* for each of the sites will be strengthened. This framework will focus on how to integrate biodiversity conservation into productive sector activities the areas surrounding the wetland sites. GoK and co-financing resources will finance an enhanced monitoring program to address the problem of insufficient information for sustainable management of areas surrounding demonstration wetlands. This will be done with the Ural River and Caspian Sea coastline outside of the URD protected area as well as with the Nura River upstream from the Tengiz Kurgaldzhino Reserve. GEF resources will top-up these sustainable management efforts with an incremental biodiversity conservation and monitoring framework for the same areas. Detailed zoning of priority habitats in the surrounding productive landscape will enable stakeholders to incorporate biodiversity conservation into the sustainable development framework. Stakeholders will be trained in how to integrate biodiversity conservation concerns into their framework management activities in agricultural and fishery resources. Important biodiversity conservation and environment protection criteria will be developed for incorporation into the integrated landscape management other development plans and activities associated with the wetland sites. GEF funds would be used to strengthen the MERN and MoA as the responsible authorities for the implementation of the landscape framework management plan.

3.10. To catalyze these sustainable livelihood initiatives, the GEF alternative is designed to remove the some important root causes of the key threats to wetland biodiversity in Kazakhstan. Two key threats and their associated root causes will be directly addressed under the sustainable livelihood initiatives: 1) the unsustainable use of water resources and 2) unsustainable use of biological resources. Important root causes are: a) the lack of effective property mechanisms in areas surrounding wetland sites; b) the lack of effective alternative livelihood options. Each initiative will be co-financed by GEF and other partners. GEF will play an incremental role in each demonstration by funding costs related to integrating biodiversity concerns into baseline actions, capacity building to enable biodiversity conservation in the buffer zone, and in providing funding for three demonstration activities on how to modify existing biodiversity-use practices to make them more sustainable. Productive landscape management-related actions are the responsibility of the MoA and the three akhimat-level DNREP. The capacity of the three akhimat level DNREPs will be strengthened so as to ensure that biodiversity conservation activities are fully integrated into environmental management and control activities. Co-financing will support the sustainable baseline for each of the demonstration initiatives. The Governments of the three Akhimats will strengthen their pollution control/monitoring efforts on the one primary source river for each wetland site. Leveraged GoK co-financing will strengthen the state and two oblast level DENR as models for the Kazakshtan. GoK co-financing will also improve access to transportation and markets and increase the level of monitoring activities undertaken on the three primary source rivers.

3.11. *Sustainable fishery management*: the GEF Alternative will enable stakeholders to develop an effective property management regime (based upon the user group structure) for fish resources in the Ural River delta area, the lakes contiguous to the Tengiz-Kurgaldzhin area and Alakol/Sassykol Lake. The Alternative is designed so that the GoK's FBM substitutes baseline

activities for more sustainable fisheries management activities. Fish resource management will be improved through the strengthening of community cooperatives and the establishment of proactive enforcement regimes and the introduction of less harmful more biodiversity friendly fishing practices. The GEF alternative will enable wetland fishery stakeholders to develop a more effective property management regime for fishery resources. GoK co-financing will familiarize stakeholders with community management approaches and sustainable resource-use methodologies and enable them to modify existing unsustainable practices. GEF funding will strengthen diversity management capacity enable stakeholders to manage the fishery to mitigate any potential negative impacts on the migratory bird habitat and food sources. Intensive consultations among local fisher groups will be conducted to enable local fisherfolk to establish user rights agreements to manage the fishery resources as a common property resource. These regimes will be reinforced by a Government-funded reinvigorated official fisheries management policy and practice in which the enforcement of existing rules and regulations will complement user rights agreements. Enforcement will be strengthened through cross-authorization among GoK agencies such as the FFHC.

3.12. *Sustainable water resource management*: Unsustainable use of water resources is a primary threat to wetland biodiversity in Kazakhstan. This project has leveraged co-funding from UNDP and the GoK to address this problem. UNDP co-financing will implement a project to demonstrate improved and sustainable use of scarce water resources in rural areas. The project will develop, test, and replicate effective, low-cost and sustainable models of participatory water management and utilisation for effective policy review. GEF funds will complement the UNDP financing by using the opportunity to demonstrate biodiversity-friendly irrigation methods and principles. GEF financing will enable stakeholders to develop biodiversity-friendly guidelines for sustainable development activities in the areas surrounding the special protected areas. These guidelines will complement baseline economic development activities in areas surrounding the protected areas. Community management approach for biodiversity friendly irrigation practices will be demonstrated as part of a UNDP's small-scale irrigation development initiative. A community-based monitoring program will be developed as part of the project's incremental demonstration of biodiversity friendly irrigation practices for program.

3.13. GoK co-funding has been leveraged to address the water-use problems along the Nura River, prime contributor to the Tengiz-Kurgaldzhin wetland complex. GoK is in the early stages of implementing a large project entitled the "Northern Environment Management and Rehabilitation Project" (US\$52 million). The project will: 1) clean-up residual toxic waste in the Nura River (primary contributor of freshwater to the TK wetland site) and establish pollution control mechanisms; and 2) provide a sustainable water supply for Astana and Karaganda, using in part Nura River water. The GoK agrees to re-orient at least \$7,000,000 in activities of this project by incorporating specific wetland-friendly guidelines in its Nura River clean-up effort. The guidelines will enable them to minimize the impact on the downstream Tengiz-Kurgaldzhin wetlands. In a slight re-orientation of clean-up work, GoK will fund the establishment of a modest monitoring program for the water entering the TK wetlands complex.

3.14 *Migratory Bird Wetland Conservation Fund (MBWCF)*: A MBWCF will be established to provide reliable funding for recurrent costs of ongoing project-inspired activities. GEF's

experience to date with long-term funding mechanisms shows that they can be a promising way to separate unpredictable government's budget commitments from basic financing for protected areas. The project would establish a Migratory Bird Wetland Conservation Fund to provide reliable funding for re-current costs managing the three priority wetland sites. The Fund would be established in three steps based on emerging best practice: Design and Consultation, Commencement, and Capitalization and Operations.

3.15 Step 1: Design and Consultation: A two day workshop would be held to launch the Fund's design stage to provide information regarding conservation funds, workable conservation fund structures, board composition, and funding priorities. The specific outcome of the workshop will be a schedule to produce specific recommendations on the best operational structure of the LTFM itself, including appointment of trustees, eligibility criteria for grantees, disbursement procedures, reporting requirements, and asset management arrangements. These recommendations would draw heavily from the GEF Evaluation of Conservation Trust Funds. The recommendations would then be submitted to the GoK and GEF for endorsement final endorsement.

101. **Step 2: Commencement.** A timetable of events leading to the operationalization of the Trust Fund would be developed during the first six months of project implementation. In order to begin operating the Fund, all the necessary legal measures must be undertaken in order to establish the MBWCF. The Fund would be registered under Kazakh law as a not-for-profit, non-governmental organization. The by-laws would be drafted, as would the operating guidelines and procedures. The initial board would be selected, and the Director of the Fund would be recruited in an open, competitive process. A representative from an international wetlands conservation organization would be selected to serve as the Fund's international operations advisor during the first two years of operation.

102. **Step 3: MBWCF Capitalization:** The Fund would be capitalized at US\$6 million. Assuming an annual real rate of return of 6%, a \$6 million capitalization would be necessary to generate the \$360,000 required to meet the following costs: \$60,000 per year for administrative and monitoring; \$180,000 annually for recurrent costs of managing the CSNR and SNR; and the balance of \$120,000 to support activities under Output 2 (research and monitoring), Output 3 (awareness building), and Output 4 (stakeholder empowerment). GEF's contributions to the Fund would occur in tranches. The first tranche would be released following an initial GEF evaluation to confirm that best practices in fund design and GEF eligibility criteria have been met. Subsequent to a positive evaluation, the GEF would release US\$500,000 contingent upon matching funds being secured on a 1:3, GEF:Co-financing ratio. The second tranche of US\$500,000 would be released with the same conditions by the end of the project's second year of operation and the third would be released by the end of the project's fourth year on a 1:3 basis following a final GEF evaluation to ensure that the Fund's absorptive capacity exists and that matching requirements have been satisfied.

4 Scope of Analysis

4.1 The system boundary of this project is defined at two levels: the national policy level and the local site level. The system boundary has been delimited during the course of the Block B

process through an iterative threat and root cause analysis. This analysis determined the national level of the system boundary to be concerned with the lack of an integrated policy and regulatory framework for wetland conservation. At the local site level, the system boundary is delimited by the geographic boundaries of the three wetland sites and their surrounding productive landscape as delimited by the threat and root cause analysis.

4.2 The threats/root cause analysis of the productive landscape around these wetlands has identified two types of threats: 1) non-point source threats caused by people living within ten miles of the wetlands and putting pressure on wetland resources through their daily hunting and fishing activities; and 2) point source threats that emanate from specific sources more than 15 miles away from the wetland itself (e.g., upstream from the wetland). The system boundary for each site extends beyond the wetland area itself to include those threats to the sites' biodiversity resource and their attendant root causes.

4.3 The 600 km² Ural River delta is comprised of myriad branches lined with tall reeds and interspersed with shallow bodies of still water. The existing specially managed hunting area is 50 km². The GEF alternative proposes to enlarge this specially managed area to 500 km². The system boundary for the Ural River Delta site extends beyond this 500 km wetland area itself to include those threats to the site's biodiversity resource and their attendant root causes. These can be adequately addressed within an approximately 10 mile wide band around the wetland area itself, including the approximately 7,300 people who inhabit six villages and hamlets in the area immediately adjacent to Ural River delta.

4.4 Fed by the Nura River, the Tengiz-Kurgaldzhin wetland zapovednik is 1,900 km². The landscape around the wetland area is sparsely inhabited rolling steppe land and includes two settlements that have a daily interaction with wetland resources, Abai village (pop. 5,458) and Nygman village (pop. 136). Two point-source threats are of primary concern to the long-term outlook of the TK wetland complex. 1) The Nura River is essentially the sole contributor of surface fresh water. The main threat to the river's water quality is an industrial complex located 100 kilometers upstream. While the industrial complex is virtually closed, polluted sediments in the river bottom deposited there from past operations remain a problem. 2) Secondly, the main threat of to the river's quantity of water is the new capital of Astana and its plans to tap some of the Nura's fresh water resources for its drinking water supply. The system boundary for the TK site extends beyond this 1,900 km² wetland area itself to include those threats to the site's biodiversity resource and their attendant root causes.

4.5 The Alakol/Sassykol Lake protected area is a total of 230 km². Within the 10 mile vicinity of the Alakol-Sassykol wetland area there are nine settlements (Annex VI) with a combined population of 9,200 people who hunt and fish the wetland resources. The system boundary extends beyond the reserve to include these threats to the site's biodiversity resource and their attendant root causes.

5 Costs and the Incremental Cost Matrix

5.1 The baseline associated with this project is estimated at US\$116,748,300. The GEF Alternative is \$155,290,500. The total Project Cost is 38,405,000 (not including the Block B

budget of 137,200) of which US\$8,710,000 is considered incremental. These incremental funds have leveraged \$29,695,000 in co-financing for the sustainable development baseline. Costs have been estimated for seven years, the duration of the planned project Alternative.

INCREMENTAL COST MATRIX

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
Domestic benefits	<ol style="list-style-type: none"> 1. Key government agencies not collaborating on wetland management. Conservation objectives not integrated into development planning. 2. Some limited wetland management programs underway. 3. Communities nearby wetlands receive direct-use benefits. 4. Lack of village-level common property management regimes in the wetland areas cause over-exploitation of wetland resources. 	<ol style="list-style-type: none"> 1. GoK's ability to ensure the sustainable use of wetland resources will be strengthened. Collaboration institutionalized. 2. Management of wetland biodiversity will be strengthened to ensure sustainable use. 3. Government policies will be strengthened to provide local communities with more resource stewardship responsibilities. 4. Local stakeholders will be more proactive in sustainably managing their economic livelihoods. 	<ol style="list-style-type: none"> 1. The ecological sustainability of development programs will be enhanced and existing unsustainable practice reduced/eliminated. 2. Long-term sustainable use of wetland biodiversity will be secured for future generations while protecting ecological functions. 3. Reduced dependence on external support for the sustainable use of wetland resources. 4. Wetland resources utilized on a more sustainable basis. Biodiversity criteria integrated into resource-use.
Global Benefits	<ol style="list-style-type: none"> 1. Current conservation is inadequate to conserve the wetland biodiversity. 2. Enabling policies for community-based conservation are lacking, reducing the effectiveness of management. 3. Insufficient institutional, human, and financial capacity at the site level to manage biodiversity. 4. Existing livelihood options are destructive to wetland sites' biodiversity. 5. Local communities lack awareness of broader conservation values 	<ol style="list-style-type: none"> 1. Long-term sustainable conservation programs for wetland biodiversity will be established. 2. Government policies will better facilitate the effective conservation of wetland biodiversity by local communities and stakeholders. 3. Law and policies are strengthened. Legal protection is extended to key species. Capacity of community institutions is strengthened to the point where it is self-sustaining. 4. Communities develop sustainable alternative livelihoods and reduce pressure on wild resources. 5. More targeted awareness raising programs implemented in and around site areas. 	<ol style="list-style-type: none"> 1. Global use, non-use, existence and options values for biodiversity in the wetland will be secured. 2. A strong, participatory management mechanism is established to improve conservation and sustainable use of wetland biodiversity. 3. Enabled communities become active partners in conserving globally significant biodiversity. 4. Existing livelihoods are modified. Pressure on biodiversity reduced as people receive tangible benefits from non-destructive livelihood options. 5. Increased awareness of biodiversity values translates into greater active support for conservation.

Costs	Baseline (B)	GEF Alternative (A)	Increment (A-B)
Output 1: Institutional, Policy and Regulatory Framework	Lack of institutional, policy and regulatory framework for wetland biodiversity management. Lack of understanding in how to develop new policy tools for wetland conservation and sustainable-use. \$875,000	Established institutional, policy and regulatory framework and guidelines for local implementation – updated Forest Law, Water Law, and Land Law. Legal framework supports relevant international conventions. Government re-orientates part of existing policy baseline to support these activities with GEF funding providing needed technical assistance and capacity building. 1,550,000	GEF: \$275,000 MNREP: \$400,000
	Policy makers incapable of assessing values and services provided by wetlands. Lack of capacity to assess values and services provided by wetlands and to conduct economic valuations of wetlands or to determine social costs of wetland loss.	Policy makers able to effectively assessing values and services provided by wetland biodiversity and to apply new policy tools to wetland conservation. 220,000	GEF: 220,000
		GoK ecotourism program and GEF-supported biodiversity-friendly ecotourism guidelines/framework 65,000	GEF: 25,000 Silk Road: 40,000
	Sub-total: \$875,000	Sub-total: \$1,835,000	Sub-total: 960,000 GEF: 520,000 Non-GEF: 440,000

Costs	Baseline (B)	GEF Alternative (A)	Increment (A-B)
Output 2: Strengthened Protected Areas			
Ural River Delta			
	<i>PA Operations:</i> Current protected area is given the local status of a hunting area or “Zolotyok” and there is no budget to raise the status of this area to a national one and expand its size. The area is managed in peripheral way by the GoK’s Northern Caspian Management programme. \$214,000	<i>Improved PA Operations :</i> Final legal establishment of URD as a national protected area. Demarcate boundaries and zone habitats. Conservation-oriented management extended over new wetland areas and associated loss in wild product harvest values. Foregone value of resource extraction in areas to be protected under project: \$839,000	GEF: \$125,000 GoK: \$400,000 MNREP: \$100,000
	Inadequate level of staffing. Part-time salaries of seven PA staff for seven years. \$49,000	Increased number of PA staff to optimum level of 28 staff. \$784,000	FFHC: \$735,000
	No management plan to implement.	Design and development and implementation of participatory, community-based park management plans. \$110,000	GEF: \$110,000
	Infrequent, insufficient enforcement patrols. Inadequately controlled use of wetland resources in areas earmarked for conservation. \$250,000	Increased enforcement of PA regulations through cooperative agreements with communities and fisheries service. \$470,000	GEF: \$50,000 FFHC: \$170,000
	No training program for URD staff exists.	Implementation of training program for park staff. Study tours on park enforcement/ management. \$225,000	GEF: \$150,000 GoF: \$75,000
.	No ecotourism management planning	Development of a biodiversity-friendly ecotourism management guidelines for the protected area. \$30,000	GEF: \$30,000

	No systematic species and habitat management planning being done.	Development of species and habitat management plan for priority species and habitats. \$110,000	GEF: \$110,000
	Government plans research on game species and wildlife inventories. Funding for wetland-oriented research by national Institutes for Zoology, Geography and Botany has been cut 90% in recent years and what remains is sporadic and un-predictable. Small-scale, local research programs at the protected area site level proceed when funding is available. \$120,000	Targeted research program supports adaptive management. Government targets existing program to support proactive wetland management, focussing on and habitat recovery needs for endemic and endangered species. \$560,000	GEF: \$200,000 OKIOC: \$50,000 FFHC: \$40,000 GoF: \$150,000
	No funds currently budgeted for park infrastructure improvements	Park infrastructure improved. Reasonable level of infrastructure, equipment and upkeep to support management of parks. Wind power for park station. \$280,000	GEF: \$230,000 USAID: \$50,000
Tengiz-Kurgaldzhino			
	<i>PA Operations:</i> Site is eligible, but lacks official designation as World Heritage Site. No funding for demarcating boundaries.	<i>Improved PA Operations :</i> Secure nomination of TK as World Heritage Site. Expand boundary of buffer zone \$310,000	GEF: \$160,000 MNREP: \$100,000 NABU: \$50,000
	Inadequate level of staffing. Part-time salaries of 43 PA staff for seven years. 200,500	Increased number of PA staff to the optimum level of 55 staff. \$725,500	FFHC: \$525,000
	Partial implementation of non-participatory management plan. 97,500	Design and development and implementation of community-based park management plans. \$357,500	GEF: \$110,000 NABU: \$90,000
	Infrequent, insufficient enforcement patrols. Ongoing, inadequately controlled use of wetland resources in areas earmarked for conservation. \$250,000	Increased enforcement of PA regulations through cooperative agreements with communities and fisheries service. \$475,000	GEF: \$55,000 FFHC: \$170,000
	Lack of training program for Park staff.	Implementation of training program for park staff. Study tours on park enforcement/management. \$325,000	GEF: \$210,000 NABU: \$40,000 GoF: \$75,000

	No ecotourism management planning	Development of an ecotourism management plan for the protected area. \$30,000	GEF: \$30,000
	No systematic species and habitat management planning being done.	Development of species and habitat management plan for priority species and habitats. \$110,000	GEF: \$110,000
	Government plans research on game species and wildlife inventories. Funding for wetland biodiversity research by national Institutes for Zoology, Geography and Botany has been cut 90% in recent years and what remains is sporadic and un-predictable. Small-scale, local research programs at the protected area site level proceed when funding is available. \$120,000	Targeted research program. Government targets existing program to support proactive wetland management, focussing on threatened species and habitat recovery program for endemic and endangered species. \$580,000	GEF: \$220,000 NABU: \$50,000 FFHC: \$40,000 GoF: \$150,000
	Minimal funds currently budgeted for park infrastructure improvements \$10,000	Park infrastructure improved. Reasonable level of infrastructure, equipment and upkeep to support management of parks. \$310,000	GEF: \$300,000
Alakol-Sassykol			
	<i>PA Operations:</i> Current protected area is too small to incorporate all significant habitat and nesting areas and no funding exists for expansion.	<i>Improved PA Operations :</i> Legal expansion of AS to four times its current size. Demarcate new boundaries and zone habitats. Conservation-oriented management extended over new wetland areas and associated loss in wild product harvest values. Foregone value of resource extraction in areas to be protected under project: \$865,000	GEF: \$125,000 GoK: \$700,000 FFHC: \$40,000
	Inadequate level of staffing. Part-time salaries of 20 PA staff for 7 years: 96,000	Increased number of PA staff to 35 full-time staff. \$496,000	FFHC: \$400,000
	Partial implementation of non-participatory management plan by staff with no real implementation budget.	Design, development and implementation of participatory, community-based park management plans. \$110,000	GEF: \$110,000

	Infrequent, insufficient enforcement patrols. Inadequately controlled use of wetland resources in areas earmarked for conservation. \$250,000	Increased enforcement of PA regulations through cooperative agreements with communities and fisheries service. \$475,000	GEF: \$55,000 FFHC: \$170,000
	No training program for Park staff exists.	Implementation of training program for park staff. Study tours on park enforcement/management. \$185,000	GEF: \$185,000
	No ecotourism management planning	Development of an ecotourism management plan for the protected area. \$30,000	GEF: \$30,000
	No systematic species and habitat management planning being done.	Development of species and habitat management plan for priority species and habitats. \$110,000	GEF: \$110,000
	Government plans research on game species and wildlife inventories. Funding for wetland-oriented research by national Institutes for Zoology, Geography and Botany has been cut 90% in recent years and what remains is sporadic and un-predictable. Small-scale, local research programs at the protected area site level proceed when funding is available. \$100,000	Targeted research program. Government targets existing program to support proactive wetland management, focussing on threatened species and habitat recovery program for endemic and endangered species. \$345,000	GEF: \$205,000 FFHC: \$40,000
	No funds currently budgeted for park infrastructure improvements	Park infrastructure improved. Reasonable level of infrastructure, equipment and upkeep to support management of parks. USAID funds the installation and management of windpower systems for PA offices. \$300,000	GEF: \$300,000
	Sub-total: \$1,757,000	Sub- total: \$9,487,000	Sub-total: \$7,730,000 GEF: \$3,320,000 Non-GEF: \$4,410,000

Output 3. Learning and Awareness	Awareness raising through printing and dissemination of posters, regulations, and other materials. FFHC/NGOs: 350,000	Development of an awareness and environmental education program targeting different kinds of media, from radio to video to TV. Development of Field guides on wetland/migratory bird species w/help of KHU. Produce/construct displays for visitor centers. School students studying, seeing, and appreciating wetland biodiversity. \$1,390,000	<i>GEF:</i> 750,000 <i>GoK:</i> 170,000 <i>OKIOC:</i> 60,000 <i>GoF:</i> 50,000 <i>KHU:</i> 10,000
	No active sharing of lessons learned/best practices w/respect to wetland conservation in Central Asia.	- Monitoring and evaluation/best practices Central Asian Conference on wetland management \$430,000	<i>GEF:</i> \$430,000
	Sub-total: 350,000	Sub- total: \$1,820,000	<u>Sub- total:</u> \$1,460,000 <i>GEF:</i> \$1,180,000 <i>Non-GEF:</i> 290,000

Costs	Baseline (B)	GEF Alternative (A)	Increment (A-B)
Output 4: Enabling sustainable use in productive landscape			
	<i>Unsustainable use in the productive landscape/ Inadequate support for alternative livelihoods</i>	<i>Enabling sustainable-use in the productive landscape./Catalytic support for alternative livelihoods in productive landscapes</i>	
Ural River Delta			
	Local stakeholders who interact daily with wetland resources have minimal capacity to work cooperatively and no access to micro-credit or business support.	A micro-credit and business support programs established to support small enterprises. GEF funds UNV biodiversity-oriented investment position to help to guide the micro-credit program. \$955,000	OKIOC: \$100,000 GEF: \$155,000 UNDP/Chevron/Citibank: \$700,000
	No sustainable-use framework management plan.	Develop “sustainable-use” framework management plan – zoning, policy, institutions with GEF-supported biodiversity conservation framework for site areas \$180,000	GoK: \$50,000 USAID: 50,000 UNDP: \$80,000 GEF:
	MNREP enforcement of pollution laws in Ural River. The MNREP oversees developers’ compliance with environmental/water quality laws without due consideration for impacts on biodiversity. \$400,000	<i>Strengthened Environmental Management.</i> The MNREP oversees compliance with environmental /water quality laws with full consideration for impacts on biodiversity. Technical assistance to MNREP and government agencies in integrated biodiversity conservation. \$655,000	GEF: \$105,000 MNREP-Atyrau \$150,000
	No biodiversity management in productive landscape.	<i>Biodiversity management plans in the productive landscape</i> Co-funding to develop and demonstrate implementation of biodiversity management plans in the productive landscape: \$200,000	GEF: \$80,000 GoK: \$120,000

	AOEMD will continue to monitor water quality of Ural River at 11 places along Ural River but without concern for wetland habitat quality. \$975,000	<i>Strengthened monitoring programme:</i> AOEMD re-orientes existing monitoring program to include water quality parameters for wetland habitat health, quantification of existing habitat quality, bird numbers and species composition. GEF assists in this process by paying for expert input to facilitate this re-orientation and conducts inventories to establish in-situ indicator species \$1,500,000	AOEMD/GoK GEF:	\$325,000 \$200,000
	Atyraubalyk operates a commercial fish (sturgeon) production business in the Ural Delta. It manages fishery for production and protects proprietary sturgeon fishery. Does not manage for wetland ecosystem health. \$2,030,000	<i>Strengthened Fisheries Management</i> Atyraubalyk re-orientes its existing program so that it manages its sturgeon fishery in part for wetland ecosystem health AND strengthens proactive enforcement/management, and undertake a survey and assessment of fishery resources in URD delta area. GEF funds the demonstration of less harmful, more sustainable fishing techniques in URD area \$3,220,000	Atyraubalyk: GEF:	\$1,015,000 \$175,000
	No work with fishing cooperatives is budgeted in the GoK program.	Stakeholders develop an effective property management regime for the non-sturgeon fishery in the URD. Develop user rights agreements among fish cooperatives in URD; establish community management training program for staff and coop leaders; GEF enables activities to include biodiversity conservation concerns. \$155,000	UNDP: GEF:	\$100,000 \$55,000
Tengiz-Kurgaldzhino				
	Local stakeholders who interact daily with wetland resources have minimal capacity to work cooperatively and no access to micro-credit or business support.	A micro-credit and business support programs established to support small enterprises at reasonable rates. GEF provides biodiversity-friendly input to micro-credit work. \$280,000	GEF: NABU:	\$55,000 \$225,000
	No sustainable use framework.	Develop “sustainable-use” management plan – zoning, policy, institutions with GEF-supported biodiversity conservation framework for site areas \$245,000	GoK: GEF: NABU:	\$100,000 \$85,000 \$60,000

	MNREP enforcement of pollution laws in Nura River. The MNREP oversees developers' compliance with environmental/water quality laws without due consideration for impacts on biodiversity. \$300,000	<i>Strengthened Environmental Management:</i> The MNREP oversees compliance with environmental /water quality laws with full consideration for impacts on biodiversity. Technical assistance to MNREP and government agencies in integrated biodiversity conservation. \$555,000	GEF: \$105,000 MNREP \$150,000
	No biodiversity management in productive landscape.	<i>Biodiversity management plans in the productive landscape</i> Co-funding to develop and demonstrate implementation of biodiversity management plans in the productive landscape: \$205,000	GEF: \$90,000 GoK: \$115,000
	<i>Insufficient monitoring</i> MNREP tests water bi-monthly and has inadequate facilities. \$250,000	<i>Strengthened monitoring programme including independent entities.</i> MNREP and Local WetlandWatch groups monitor water quality each month using adequate facilities: \$655,000	MNREP: \$300,000 GEF: \$105,000
	No sustainable agriculture assistance efforts are planned or currently underway.	<i>Biodiversity-friendly agricultural practices.</i> Stakeholders will be able to develop effective sustainable farming regime for utilizing agricultural land in a demonstration area near TK. \$215,000	GoK: \$75,000 NABU: \$90,000 GEF: \$50,000
	Currently, there are no plans nor is there any funding to develop an appropriate, sustainable ecotourism program inside the protected area and the recreation zone outside the TK protected area.	<i>Sustainable Eco-tourism Development:</i> The "Silk Road Company" will fund the development of an appropriate, sustainable ecotourism program inside the special protected area and the surrounding areas. \$1,000,000	Silk Road Co. \$1,000,000
	The GoK will clean up of mercury contamination in the Nura River in the absence of guidelines to minimize the impact on the downstream Tengiz-Kurgaldzhin wetlands during the clean-up operations and	<i>Sustainable Water Resources Management:</i> The GoK agrees to incorporate specific wetland-friendly guidelines in its Nura River clean-up project. The guidelines will enable them to minimize the impact on the downstream Tengiz-Kurgaldzhin wetlands. In addition, a modest	

	without putting into place a modest monitoring program for water quality control. \$52,000,000	water quality monitoring program for the water entering the TK wetland complex will be established. \$62,000,000	GoK	10,000,000
	Rehabilitation of irrigation and drainage infrastructure proceeds without any specific wetland impact amelioration and/or conservation mechanisms put in place. WB-GoK \$40,000,000	<i>Community Irrigation water management:</i> Leveraged resources from GoK irrigation rehabilitation program in Syr Daria area and support UNDP/GEF demonstration program and ensure that wetland conservation is included as a priority in Kazakhstan's irrigation modernization program. \$42,250,000	GoK:	\$2,500,000
	No community-based water management programs under operation or planned.	<i>Community Irrigation water management:</i> UNDP assists stakeholders in demonstrating an effective, community-based water management program in the Syr Daryia area. GEF tops-up by helping the UNDP effort to demonstrate an effective, wetland biodiversity-friendly water management/irrigation program to stakeholders from the project's three site areas. 1,100,000	GEF: UNDP: UNSO:	\$260,000 \$750,000 \$90,000
Alakol-Sassykol Lake				
	Local stakeholders who interact daily with wetland resources have minimal capacity to work cooperatively and no access to micro-credit or affordable business development credit.	A micro-credit program established to support ecotourism-related enterprises at reasonable rates. GEF provides biodiversity-friendly input to the program. \$500,000	GEF: Silk Road:	\$50,000 \$450,000
		Develop "sustainable-use" framework management plan – zoning, policy, institutions with GEF-supported biodiversity conservation framework for site areas \$100,000	Silk Road: GEF:	\$50,000 \$50,000
		<i>Biodiversity management plans in the productive landscape</i> Co-funding to develop and demonstrate implementation of biodiversity management plans in the productive landscape: \$195,000	GEF: GoK:	\$80,000 \$115,000
		<i>Biodiversity-friendly agricultural practices</i>	GEF: UNDP:	\$25,000 \$100,000

		Stakeholders will be able to develop effective sustainable farming regime for utilizing agricultural land around the AS site. \$125,000	
	The Ili Balkash FBM and Oblast fishery inspection focus their resources on enforcement and hatchery programs. \$811,300	<i>Sustainable Fisheries Management:</i> The Ili-Balkash Fisheries (IBF) modifies its fisheries management program to include emphasis on sustainable fishery use in AS complex, strengthens proactive enforcement, and undertakes a survey and assessment of fishery resources in AS site. GEF helps IBF integrate biodiversity concerns and demonstrates less harmful, more sustainable fishing techniques in the three sites: \$1,496,300	IBF: \$550,000 GEF: \$135,000
	No work with fishing cooperatives is budgeted in the GoK program; No private support of sustainable alternative livelihood development in the fishery sector. Sub-total: \$113,766,300	UNDP supports the development of user rights agreements among fish coops in AS; establish community management training program for staff and coop leaders; Silk Road Company supports development of sustainable, local-level fishery in productive areas of Lake Alakol; GEF enables activities to include biodiversity conservation concerns. 780,000 Sub-total: \$135,821,300	Silk Road: \$600,000 UNDP: \$125,000 GEF: \$55,000 Sub-total: \$22,055,000 <i>GEF: 2,000,000</i> <i>Non-GEF: 20,055,000</i>

Costs	Baseline (B)	GEF Alternative (A)	Increment (A-B)
Output 5: Migratory Bird Wetland Conservation Fund	Lack of adequate and long-term funding for wetland biodiversity conservation and management.	<i>Adequate and sustainable long-term financing for the conservation and management of wetland biodiversity ensured.</i> Consultation/Design/Commencement of trust fund. \$75,000; Consultations/training/promotional material \$115,000. \$190,000	GEF: \$190,000
	0	Capitalization of Trust Fund \$6,000,000	GEF: \$1,500,000 GoK leveraged: \$4,500,000
	Sub-total: 0	Sub-total: \$6,190,000	Sub-total: 6,190,000 GEF: 1,690,000 Non-GEF: 4,500,000
	0	GEF: \$6,190,000	GEF: \$6,190,000
Total:	Baseline Total: \$116,748,300	GEF Alternative Total: \$155,153,300	Project Cost: \$38,405,000 Co-financing: 29,695,000 GEF: 8,710,000
PDF B		\$137,200	\$137,200
GRAND TOTAL:	\$116,748,300	\$155,290,500	\$38,542,200

PROJECT:	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
Goal: To protect globally significant wetland biodiversity in Kazakhstan.	<ol style="list-style-type: none"> 1. Populations of indicator species in priority areas remain at current levels or increase. 2. Populations of rare and endangered fauna and flora of priority areas remain at current levels. 3. Monitoring of wetland plant communities in 2006 indicates that the ecological integrity of priority areas remains secure with no significant decrease in habitat size. 4. Positive trends in indicator species numbers – birds, fish, plants³ 	<ol style="list-style-type: none"> 1. Biannual biological surveys. 6. Biannual surveys. 7. Biannual surveys 8. Monitoring records and Terminal Evaluation. 	<ol style="list-style-type: none"> 1. Continued GoK support for wetland conservation 2. Conservation of wetland habitats and migratory birds in flyway countries 3. Natural factors and man-made disasters, (e.g. climate change, disease) do not damage wetlands
Purpose: Government agencies, non-governmental entities, and local communities are maintaining and improving the integrity and viability of Kazakhstan's priority wetland ecosystems.	<ol style="list-style-type: none"> 1. National policies in 2006 reflect wetland biodiversity conservation as a priority 2. Management model extended from three project sites to at least 2 other PA by 2006. 3. More than 10 local communities involved in wetland management in Kazakhstan by the end of the project. 4. 20% increase in the area of wetland reserves actively being managed in Kazakhstan 5. GoK has ensured through its water supply development policies to provide adequate water for wetland health to the three priority sites. 	<ol style="list-style-type: none"> 1. Report of FFHC;GG 2. Project records. 3. Project record; field visits 4. Project reports; GG 5. GoK policy documents 	<ol style="list-style-type: none"> 1. Biodiversity conservation continues to be a government priority. 2. Pollution levels do not increase or adversely affect wetland sites 3. Water management regimes improve in a biodiversity-friendly manner.
Output 1: National wetland biodiversity conservation policy, regulatory and institutional framework approved and in place.	<ol style="list-style-type: none"> 1. Development of new "National Wetland Conservation Act" for Kazakhstan. 2. Policy declaring wetlands to be a valuable, productive resource, with economic importance for the state, is passed. 3. Prepare wetland user guidelines on how to integrate biodiversity management into productive sectors by 12/2004. 4. New "Inter-Ministerial Board on Wetland Conservation" established and exerting oversight over priority wetland areas. 5. Legislation passed by 12/2003 for enabling community management and use of wetland resources (usufruct rights). 	<ol style="list-style-type: none"> 1. Government gazette (GG) 2. GG 3. Survey before and after training. 4. Project reports and IMB minutes; news reports. 5. Signed agreements 6. Policy documents 7. Assessment of newly learned skills 	<ol style="list-style-type: none"> 1. GoK priority change prevents progress from being made on wetland conservation.

	<ol style="list-style-type: none"> 6. Policy experts' apply new policy tools to wetland conservation 7. Wetland conservation requirements integrated into existing property law governing land and water ownership and use by 12/2003. 8. Improved GoK environmental policy enforcement operations 9. Legislation prepared for ensuring adequate apportioning of water to wetlands by 12/2002. 		
Output 2: Well planned and effective protected area management	<ol style="list-style-type: none"> 1. Policy adopted for the expansion in size and or strengthening of protected area status for URD, TK, and AS. 2. PA staff levels increased by 40% between 09/2000 and 09/2001 in the three priority sites. 3. Park infrastructure strengthened to support reasonable level of operations. 4. Established community-based management approach in three priority sites, including mechanisms for community involvement in wetland management by 10/2001 5. FFEC and PA staff applying newly acquired science and methodological knowledge in their wetland and biodiversity management work. 6. Sustainable, systematic research and monitoring program developed and under implementation by end of year 1 7. Adaptive management decisions taken and measures implemented bi-annually, based upon the monitoring and research results 	<ol style="list-style-type: none"> 1. Approved expansion policy, GG 2. Employment records; 3. Field visits; Audit/Mid-term/Final Evaluation 4. Stakeholder agreements Management plan documents 5. Training evaluation before & after. 6. Monitoring records; database; program document; 7. Interview w/managers; evaluation 	<ol style="list-style-type: none"> 1. GoK support for PA expansion/ strengthening will continue. 2. More rational decisions will be made as a result of monitoring/ evaluation. 3. Funding for additional staff will be made available.
Output 3: Established awareness of wetland biodiversity values among local stakeholders and process for generating lessons learned.	<ol style="list-style-type: none"> 1. Information materials on threats to the lakes – fire, grazing produced as necessary from 06/2002 2. Field guide for hunters to avoid accidental shooting of rare species published by 06/2002 3. Designs for Interpretation/visitor Centres and displays produced by 03/2002 4. Components on wetland ecology and sustainable use developed for inclusion in the 	<ol style="list-style-type: none"> 1. Survey of awareness levels before and after. 2. Review of actual materials generated 3. Minutes from meetings; records of training sessions; 4. Review of actual materials 5. Project records 6. Project records 	<ol style="list-style-type: none"> 1. Hunting organizations will maintain support for outreach and education objectives.

	<ul style="list-style-type: none"> 5. Field visits to the URD, AK, TK organised regularly for local schoolchildren from 06/2003 6. Special studies of wetland ecology undertaken by secondary school and university students from 06/2003 7. Annual project progress “stocktaking and assessment” meetings held. 8. Best practice approaches to wetland conservation and sustainable use developed by end of year 5 as a product of learning process. 9. Central Asian Conference on wetland management in 2004 with field trips to share lessons learned. 	<ul style="list-style-type: none"> 7. Meeting minutes and lessons learned documentation 8. Best practice papers. 9. Conference proceedings 	
Output 4: Enabled Conservation and Sustainable Use of Wetland Biodiversity in the Productive Landscape	<ul style="list-style-type: none"> 1. Local communities pursuing sustainable livelihood options by June 2001; 2. Sustainable development and biodiversity conservation program for productive landscape around each wetland site. 3. Ecotourism demonstration in TK and AS establishes routes, modest infrastructure, trained guides and service people. 4. Fishery management programs re-oriented to focus on developing a sustainable fishery. 5. Water resource management projects re-oriented to include wetland-biodiversity concerns. 6. Trained water-users in biodiversity-friendly irrigation pond water management. 7. Effective cross-cutting lessons learned program involving stakeholders from all relevant sectors. 	<ul style="list-style-type: none"> 1. Project records; Field visits; interviews with local people 2. Regulations promulgated; ToR for committees; Cmte meeting notes. 3. Training manual/ schedule; Survey of knowledge before/after 4. Mid-term and final evaluations 5. Written, approved guidelines 6. Field visits; 7. Lessons learned documents; Participants lists; Survey of knowledge before & after; 	<ul style="list-style-type: none"> 1. Investors can be found to develop ecotourism visitor facilities, guest houses, guides, boats etc
Output 5: Sustainable financing for wetland conservation	<ul style="list-style-type: none"> 1. Trust fund established for national conservation of wetlands 2. Legally established LTFM capitalized to US\$5 million 3. Promotional material about the wetland biodiversity of Kazakhstan 	<ul style="list-style-type: none"> 1. Report and related documentation on study 2. Fund administration guidelines/Deposit records/ Letters of commitment/ Project reports 3. Published materials 	<ul style="list-style-type: none"> 1. GoK support for an autonomous trust fund will be maintained. 2. Momentum to capitalize this trust fund will be maintained.

ACTIVITIES

Output 1: National wetland biodiversity conservation policy and regulatory framework approved and in place

1. Clarify the legal issues associated with ensuring adequate water security for wetlands after consultation with water regulators and users and to prepare the necessary legislation/regulation
2. Clarify the legal issues associated with community user rights and responsibilities of wetland bioresources and to prepare the necessary legislation.
3. Hold consultations and awareness raising meetings for these pieces of legislation with government decision makers, lawyers and natural resource and protected area managers
4. Draft legislation for ensuring adequate apportioning of water to wetlands and work for passage by 12/2003
5. Prepare guidelines for the regional akhimats to ensure integrated management measures by the different users of wetland resources. Work for the approval of guidelines by 06/2005.
6. Develop cross-authorization enforcement agreements between and among relevant government agencies.
7. Revise policies to be supportive of cross-authorization and improved enforcement.
8. Develop standard regulations on wetland sites management considered and facilitate approval by the Government, Ministry of Agriculture and Ministry of Natural Resources and Environment Protection.
9. Prepare legal regulations on the activities in the wetland sites and facilitate approval of these regulations by governmental organizations involved in project implementation.
10. Draft resolution of the GoK on organization of the international important SPA.

Output 2: Well planned, effective protected area operations

For all three areas:

1. Policy adopted for the expansion in size and or strengthening of protected area status for URD, TK, and AK
 - Prepare a petitioning to the GoK on behalf of oblast Akhim for a Government resolution to organize special protected area and/or demarcate new boundaries of the existing special protected area.
 - Prepare scientific explanation and feasibility study for organization of a new SPA or demarcation of new boundaries of the existing SPA.
 - Appoint temporary management group.
 - Prepare set of the necessary documents and facilitate consideration by the governmental commission of experts (MNREP) and subsequently by the GoK, resulting in a Government resolution on the organization of the new SPA and regulations on the land-use law.
2. Establish community-based management approach in three wetland protected areas.
3. Develop and implement participatory management plans for each of the three wetland PA by 06/2001
4. Develop systematic monitoring program that include water quality, habitat quality, bird numbers and resource use in the URD, AK, TK)

5. Publish baseline info from monitoring programme by 06/2001; Publish results of monitoring programme annually thereafter.
6. Training courses held for the SPA staff in: Eco-tourism, the policy and regulatory basis of protected area work; tourism management; tax issues; small business management and law; protected area administration and other issues.
7. Infrastructure and facilities for management of the URD, TK, AK established between 12/2000 and 03/2002 (e.g. visitors' centre, offices, patrol shelters).
8. Procure equipment and train staff in the effective utilization by field personnel in managing protected areas.
9. Organise in-country training courses for FFEC and Protected areas staff wetland and biodiversity management
10. Increase inter-sectoral linkages by ensuring that each in-country training course has at least two staff members from national or oblast level participating
11. Invite other protected area staff and environmental NGOs to annual project progress meetings
12. Prepare annual reports on the project and to distribute these and other reports/publications to other protected area offices
13. Distribute project reports and publications to all relevant offices of the FFEC.

URD

1. Establish management presence at URD in existing akhimat-level protected area; Demarcate existing boundaries of the URD
2. Complete consultations with national and akhimat officials, scientists, stakeholders, communities and natural resource users about the concept of a Ural Delta protected area.
3. Prepare legal instruments to establish an area of internationally significant wetlands in the URD by May 2001.
4. Legislation to establish URD Protected Area passed by Jan 2002
5. To prepare legislation to establish a national-level URD protected area and to guide its passage through to approval.
6. Determine zonation for new URD PA, including buffer zones, activity zones, core protection zone and multiple-use zones.
7. Develop a series of action plans covering species, habitats, hunting, hydrology, fisheries, and ecotourism.
8. Develop a detailed participation plan for community involvement in park management.

TK Complex

1. Strengthen management presence at TK zapovednik, including refurbishment of key infrastructure.
2. Conduct study on benefits of petitioning to have TK declared a UNESCO Biosphere Reserve and to expand area with protected status.
3. Prepare the necessary technical and legal documentation for enlargement
4. Determine zonation for TK complex, including core protection areas to be excluded from waterfowl extraction and buffer zones.
5. Expand TK's specially protected area by Jan 2001;
6. Prepare biodiversity overlays

7. Formulate specific strategies to ensure effective conservation of globally significant biodiversity.
8. Prepare integrated management plan for TK complex, incorporating local community resource (e.g. water) use requirements and strategies to mitigate threats from surrounding land use practices.
9. Support pilot activities in wetland enrichment in degraded areas.
10. Implement species/ ecosystem management and protection plans,
11. Implement small-scale hydrological solutions (e.g. inexpensive wooden weirs) in critical locations of TK.

AS

1. Strengthen management presence at AS protected area, including development of key infrastructure.
1. Consult with national and oblast akhimat officials and stakeholders around Alakol-Sassykol lakes for the possible enlargement of the PA, and to define the new boundaries
2. Legal expansion of the specially protected area to include western shore of Lake Alakol and nearest island system by Jan 2001
2. Formulate specific strategies / action plans to ensure effective conservation of globally significant species and habitats.
3. Prepare integrated management plan (including zonation) for AS
4. Create biodiversity overlays using existing baseline information .
5. Formulate strategies for water management for AS complex and define minimum water requirements for wetland health.
6. Implement a public participation and feedback structure to integrate local community perceptions and priorities into the planning process.
7. Implementation of specific action plans and other elements of management plan, including community participation plan, alternative livelihoods and sustainable resource use strategies.
8. Implement species / ecosystem management and protection plans.

Output 3. Increased appreciation and awareness of wetland biodiversity in local communities.

1. Annual project progress meetings held each year to bring together the results of project activities at national and demonstration site levels.
2. Regular advice provided to staff involved with management of other wetland sites
3. Systematically identify and describe internationally significant wetlands, together with threats, opportunities and priorities for their conservation and use.
4. Organise annual progress meetings for Protected areas staff at the national and akimat levels, including training workshops on the principles and methodologies for integrated wetland management developed during the project, and site visits to the project sites
5. Organize and hold one Central Asian Conference on wetland management held in Kazakhstan in September 2004 with field visits to URD, TK, AS
6. Provide advice on a regular basis to other protected area staff and environmental NGOs on the management of wetlands

Develop an awareness raising program for the local communities.

7. Produce TV and video programmes wetland conservation in conjunction with Kazakhstan TV;
8. Prepare and publish a variety of scientific, educational and promotional material about Kazakhstan wetlands; the specialist reports on different aspects in the wetlands; full color book about wetlands in Kazakhstan
9. Redesign and remodel the existing offices, museums, and visitor centers and rehabilitate central parks necessary for training courses and excursions.
10. Guidelines for institutional mechanisms for integrated management of wetland areas,
11. Environmental baseline and annual audits (state of environment reports) of the two demonstration wetlands
12. Produce general publicity material promoting ecotourism in Kazakhstan wetlands and to distribute internationally
13. Produce field bird, fish, and plant guides for targeted stakeholder groups.

Output 4: Enabled Conservation and Sustainable Use of Wetland Biodiversity in the Productive Landscape

For all three areas:

1. Develop simple policy and regulatory framework to encourage sustainable development and biodiversity conservation in the productive landscape around each priority wetland site.
2. Develop institutional mechanisms and guidelines for the integrated management and protection of buffer zone areas surrounding specially protected wetlands
3. To hold a series of consultation workshops at the akimat level to develop a workable arrangement (possibly in the form of a committee) to guide integrated land and water management of areas around wetlands.
4. Regulations adopted for management of the natural resources of the areas surrounding the specially protected areas.
5. Terms of reference for special committee drawn-up with a mandate for integrated land and water management of priority wetland sites by 07/2001
6. Provide assistance (technical and financial) to local stakeholders in developing alternative livelihoods, incorporating sustainable resource use and self-regulatory mechanisms
7. Organize and conduct eco-tourism service training course; Support an ecotourism market survey and strategy to be conducted by Fall of 2000.
8. Develop training programme for water-users in biodiversity-friendly irrigation & pond water management (UNDP and GEF).
 - Local, small-scale farmers and water-users applying simple, practical techniques that improve habitat for wetland biodiversity.
 - Actions to rehabilitate water distribution and regulation structures of irrigation ponds/lakes supplemented with instruction on how to maximize the beneficial impact on biodiversity of these structures.
 - Actions to establish Water User Associations and build their capacity are supplemented with training for WUA's on how to ensure that local water use doesn't harm wetland biodiversity.
 - Develop biodiversity guidelines to complement newly developed "Operational and Maintenance Mechanism" for hydrological structures.

- Train all regional field staff of the State Agency for Water Resources in how to integrate biodiversity and water management necessities.
- Monitoring program for pond management regimes designed and approved by Jan 2001 to monitor water and habitat quality, bird numbers & resource use (fishing, hunting).
- Lessons learned document and video produced and distributed to top-up lessons learned process of UNDP water management project.
- 20 other department representatives from other parts of Kazakhstan brought to site areas for lessons learned training/awareness raising.
- Representatives of 15 NGOs from around Kazakhstan brought to site area for lessons learned/training and awareness raising.

URD:

1. Enable local stakeholders to begin pursuing alternative livelihoods by accessing micro-credit and business advice by June of 2001.
2. Establish micro-project program by June 2001 with annual reports from June 2002. Possible micro-credit supported schemes would be:
 - ✓ Fishing co-operative retail outlet in Atyrau city.
 - ✓ Ecotourism guides
 - ✓ Reed use for fodder/handicrafts
 - ✓ Caviar production visitor centre
3. Develop ecotourism infrastructure and facilities (e.g. boardwalks, etc) by December 2002
4. Promote bird watching, and sustainable hunting and fishing to attract local people, foreign residents and international visitors from September 2001
5. Monitor ecotourism companies involved; number of tourism visitors, and income generated.
6. To consult with local communities and NGOs to identify possible micro-projects for sustainable livelihoods
7. To identify international and national tourism companies and encourage investment in ecotourism in the priority sites
8. Ensure that biodiversity-friendly facilities are developed for ecotourists at priority sites.
9. Development of park interpretation, e.g. trails, signs, brochures, etc.

TK:

1. Supplement irrigation/water use training for 100 farmers with instruction on how to integrate biodiversity concerns into their agricultural practices (planting methods & schedules, water use schedules etc.)
2. Establish micro-project program by June 2001 with annual reports from June 2002. Possible micro-credit supported schemes would be:
 - ✓ Fishing co-operative to add value to product.
 - ✓ Visitor accommodation with wind powered electricity
 - ✓ Ecotourism guides
 - ✓ Reed use for fodder/handicrafts
3. Development of park interpretation, e.g. trails, signs, brochures, etc.

AS

1. Train fishers in best practices for minimizing harm to biodiversity, especially migratory bird habitat needs.
 2. Carry out a simulation model for optimum harvesting in AS fishery.
 3. Biodiversity concerns integrated into water supply, drainage and re-cycling systems.
 4. Regulations adopted for management of the biodiversity concurrently with water resources management by 2002.
 5. Publish baseline results for monitoring program by annually beginning in June 200
 6. Establish micro-project program by June 2001 with annual reports from June 2002. Possible micro-credit, business center supported schemes would be:
 - ✓ Fishing co-operative to control access to fishery and improve marketing of product.
 - ✓ Visitor accommodation with wind powered electricity
 - ✓ Ecotourism guides
 - ✓ Reed use for fodder/handicrafts
- Lessons learned/ public awareness materials

Ecotourism Activities:

1. Development and implementation of eco-tourist routes within the PA (roads, sight grounds, sight towers).
2. Development of park interpretation, e.g. trails, signs, brochures, etc.

Output 5: Sustainable financing for wetland conservation

1. Commission a study on sustainable financing of wetland conservation in Kazakhstan
2. Prepare a promotional document for seeking contributions to a wetland trust fund
3. Seek contributions from international and national public and private sector agencies and NGOs
4. Establish trust fund with guidelines for its administration
5. Legally establish LTFM and capitalize it at US\$5 million
6. Carry out study on sustainable financing of wetlands conservation by December 2004
7. Seek contributions towards establishing a wetland trust fund during beginning in 2000
8. Establish Wetland Trust fund by June 2006
9. Ensure that US\$2.1 million in co-financing has been deposited in the mechanism by 2005
10. US\$500,000 of GEF funds deposited into mechanism after the initial US\$2 million raised.
11. Co-finance of the LTFM on a 1:4 basis until full capitalization.
12. Produce TV and video programmes about Kazakhstan wetlands during 2003
13. Publish documents on the Wetlands of International Significance in Kazakhstan by 04/2004
14. Produce and distribute publicity material promoting Kazakhstan wetlands for eco-tourism by October

ANNEXES:

- Annex D: “Threats/Root Causes/Activities to Mitigate Threats” Table
- Annex E: Project Implementation Arrangements/Stakeholder Participation Summary
- Annex F: Map of Priority Sites
- Annex G: GEF Focal Point Endorsement
- Annex H: Institutional Profiles
- Annex I: Project Categorisation Sheet
- Annex J: STAP Review
Comments on STAP Review

“THREATS/ROOT CAUSES/ACTIVITIES TO MITIGATE THREATS” TABLE

Root Causes of Threat	Activities to Mitigate Threat
Threat #1: Unsustainable Use of Biological Resources	
1. Inadequate level of management and protection for existing wetland protected areas;	<ul style="list-style-type: none"> ⇒ Strengthen protected area operations in the three priority areas (Output 2); ⇒ Expand and/or demarcate boundaries of priority protected areas (Output 2); ⇒ Increased number of PA staff; Conduct training to strengthen management (Output 2); ⇒ Strengthen existing regulations & develop cooperative enforcement among the PA and other resource management agencies (Output 2); ⇒ Establish community-based participatory management approach plans (Output 2); ⇒ Implement adaptive management program supported by strengthened targeted research and monitoring program to measure progress and to document best practices (Output 2); ⇒ Expand scope of protected area management to include concerns regarding water supply and surrounding land-use (Output 2); ⇒ Develop area-specific biodiversity-friendly eco-tourism guidelines (Output 2); ⇒ Develop area-specific species and habitat management plans (Output 2); ⇒ Strengthened infrastructure/improved equipment in each of the three priority areas (Output 2).
2. “Open access” property regime; inadequate local management and control over wetland resource use (i.e. hunting, fishing, grazing & grass cutting).	<ul style="list-style-type: none"> ⇒ Develop legislation to support community biodiversity management & use (Output 1); ⇒ Grant local communities usufruct rights over wetland resources (Output 1); ⇒ Enable local wetland resource users to develop “user rights agreements” recognizing these usufruct rights and strengthening local management and enforcement (Output 1 & 4); ⇒ Strengthen the incentive for good local management by allowing some of the natural resource-based revenue to be re-invested at the local level (Output 1); <i>Sustainable Fisheries management (Output 4)</i> ⇒ Strengthened cooperatives and user rights agreements; ⇒ Re-orient existing fishery program in Ural Delta ⇒ Integration of biodiversity as criteria in fishery management in Ural Delta
3. Lack of community awareness of protected area value; Insufficient public awareness	<ul style="list-style-type: none"> ⇒ Develop awareness raising and environmental education program (Output 3); ⇒ Develop field guides on wetland/migratory bird species (Output 3); ⇒ Produce/construct displays for visitor centers (Output 3); ⇒ Develop field programs to enable students to study wetland biodiversity (Output 3); ⇒ Central Asian wetland management conference (Output 3);
4. Inadequate alternative livelihood options for local people;	<ul style="list-style-type: none"> ⇒ Implement micro-credit program and investment in alternative livelihoods (Output 4); ⇒ Provide expert input to enable biodiversity-oriented investment (Output 4); ⇒ Develop sustainable-use framework management plans (Output 4); ⇒ Biodiversity conservation framework for site areas (Output 4); ⇒ Strengthen environmental management (Output 4);

	⇒ Train environmental officials in biodiversity management (Output 4); ⇒ Incorporate biodiversity into sustainable land-use plans (Output 4); ⇒ Demonstrate biodiversity-friendly agricultural practices (Output 4); ⇒ Sustainable eco-tourism enterprise development (Output 4).
Threat #2: Unsustainable Use of Water Resources	
1. Lack of integrated approach to water resource management;	⇒ Develop policy/regulatory framework (Output 1); ⇒ Develop national wetlands law and guidelines for implementation (Output 1); ⇒ Establish and operate inter-ministerial board (IMB) for wetland conservation and management (Output 1); ⇒ Increase capacity of policy makers to develop multi-sectoral wetland sustainable use programs (Output 1); ⇒ Integrate environmental standards into Land Law and Law on Environmental Protection (Output 1); ⇒ Enable policy makers able to apply new tools and analyses (Output 1);
2. Inadequate water quality monitoring program	⇒ Improve enforcement programs through development of cross-authorization agreements among different agencies (Outputs 4 & 2);
3. Water resources policies that do not include wetland conservation as a key objective	⇒ Develop national wetlands conservation law (Output 1); ⇒ Enable the new inter-ministerial board (IMB) to integrate wetland conservation into water use policies (Output 1); ⇒ Secure official commitment from GoK that sufficient water volume will be set aside in the Nura River to ensure health of the Tengiz wetland complex (Output 4); <i>Demonstrate sustainable water resources development (Output 4);</i> ⇒ Nura River Clean-up ⇒ Community irrigation water management ⇒ Demonstrate biodiversity friendly water mngmnt
4. Inadequate law and policy framework for pollution control <ul style="list-style-type: none"> ▪ No requirement for major industrial users to use closed system of water use) ▪ Fines levied on polluters do not cover the real costs of pollution (health, ecosystem damage) ▪ inability to re-invest fines into pollution control/enforcement and treatment programs 	⇒ strengthen law and policies w/respect to EIA procedures (Output 1); ⇒ Conduct study on need for major industrial users to use closed system (Output 4); ⇒ Conduct pollution clean-up/prevention cost analysis and recommend how these costs can be recovered (Baseline); ⇒ Ensure fines are used to fund pollution control (Output 1).
5. Lack of effective enforcement of existing pollution laws;	⇒ Enhance enforcement and funding for enforcement through the polluter pays principle. ⇒ Improve GoK Environmental Policy Enforcement
6. Inefficient and out-dated irrigation infrastructure;	⇒ Begin program to modernize irrigation system (Baseline);
7. Lack of awareness among	⇒ Increase key stakeholder awareness (Output 3);

about the importance of wetlands and dangers of polluting water;	⇒ Develop and conduct a program for environmental education to impart wetland conservation values at the local, oblast and national level (Output 3); ⇒ Develop field guides, interpretation facilities (Output 3); ⇒ Establish youth wetland conservation corps (Output 3);
Threat #3: Uncontrolled Visitation/Tourism	
1. Absence of program/regulations for ecotourism development in the GoK	⇒ Establish national ecotourism guidelines (Output 4); ⇒ Develop ecotourism management program for three site areas (Output 4). ⇒ Develop ecotourism guide training program in two of the priority sites (Output 4).
2. Inability of protected areas to re-invest entrance fees back into management of the protected area;	⇒ Publish and make freely known the official visitation rates for protected areas (Output 1); ⇒ Change existing policy to allow PA to re-invest revenues in the infrastructure and management of the PA itself (Output 1).
3. Absence of basic services for visitors; lack of specifically designed viewing platforms and trails;	⇒ Strengthen low-impact infrastructure (Output 2).

LOCAL COMMUNITY/STAKEHOLDER PARTICIPATION IN PROJECT IMPLEMENTATION

1. Stakeholder participation and the support of local communities are essential to the long-term effectiveness of the wetland protected areas where the project will be working. In Kazakhstan, the interaction between local communities and their natural wetland environment is frequent; wetland resources are important to their livelihoods. Stakeholder involvement is a familiar concept, but actively building local community support has not traditionally been a part of Kazakhstan's protected area management regime. Because it is a new approach in Kazakhstan, the project is designed to introduce it in a reasonable, measured manner. Local communities will participate in project implementation in three specific ways: 1) through membership on the Site Implementation Committees (SIC) to be formed for each priority site; 2) in management of the respective protected areas; and 3) participation in the project's alternative livelihood development program by way of the various resource user groups to be established in the priority wetland areas.

2. Local communities as well as other stakeholders will have direct input to the project's implementation at the site level through the SIC to be established for each of the priority sites. The SICs will be comprised of local government officials, local community leaders, NGOs, and local relevant commercial enterprises. The SICs will be responsible for guiding and supporting the implementation of the project activities. In addition, the SICs will play the key role in the development of sustainable development strategic frameworks for each of the site areas. The frameworks will focus on how to integrate biodiversity conservation into productive sector activities the areas surrounding the wetland sites.

3. Secondly, As the project progresses, special emphasis will be placed upon integrating local communities into protected area management. A series of local consultations with and detailed social assessments of communities are planned to determine the possible roles communities would play in the development of protected area management plans for each site and their implementation, including site-specific ecotourism plans in which the communities would participate. This includes the possible creation of special management zones to facilitate multiple uses, including customary subsistence uses that are compatible with conservation objectives.

4. The project's planned field education efforts for local school children will also contribute to the trust building between the PA and local communities that is so essential to effective collaboration. There is also experience in Kazakhstan with special interest groups (e.g. hunters associations) petitioning the government for special management status of particular wetland areas. The project will seek to build and expand on experience in order to develop appropriate participation mechanisms. Guard stations are planned in all three priority sites. Community members would also receive training as park guards and guides. These stations could be collaboratively run by the community and the GoK and could also serve as a visitor centers for tourists travelling through the region.

5. Thirdly, the project is designed to maximize participation of local communities and stakeholders by empowering them to be partners in the sustainable development of the areas immediately surrounding the priority sites. Stakeholders in the productive landscape

surrounding the priority sites will develop sustainable alternative livelihoods, strengthen property regimes and demonstrate new and appropriate technologies. These activities will be largely financed by non-GEF sources because they seek to bolster the sustainable development baseline.

6. User groups comprised of local people will be established in areas around the priority wetland sites where surveys have found people to have direct interaction with the wetlands themselves. These user groups will interact directly with the protected area and will be the organized social unit through which the project will offer its alternative livelihood assistance. GEF will provide support to these user groups so that they will be able to adequately consider biodiversity issues in their sustainable fish and water resource management activities. The project will enable user groups to develop an effective property management regime for fish resources in the Ural River delta area and Alakol Lake project sites.

MAP OF PRIORITY SITES

GEF FOCAL POINT ENDORSEMENT

EXPANDED INSTITUTIONAL PROFILES:

Government Agencies (National and Local level)	
1. Ministry of Natural Resources and Environmental Protection	The MNREP is responsible for managing the country's natural resources (including biodiversity) and protecting the environment.
▪ Forestry, Fishery & Hunting Committee (FFHC)	The FFHC is responsible for the protection of Kazakhstan's fauna and flora, including National Forests, non-agricultural lands (desert steppe, grasslands) and the country's system of protected areas. The FFHC is responsible for setting sustainable harvest limits for wildlife and fishery resources and enforcing those limits.
▪ Committee for Water Resources (CWR)	The CWR is responsible for the sustainable use of surface water. The Committee is comprised of Inter-regional Water Resources Agencies. Through these agencies, the CWR annually apportions water resources to and determines water use schedules for the different water users in a local area.
▪ Regional Agencies for Environmental Protection (RAEP)	The RAEP are Oblast-level institutions that are responsible for preventing the degradation of water, air and soil resources in each Oblast. Their function is primarily one of preventing pollution and enforcing pollution laws. The RAEP implement water, air, and soil quality monitoring programs at the local level in each oblast.
▪ Regional Wildlife Inspection Agencies (RWIA)	The RWIA are responsible for enforcing hunting laws in the productive landscape.
2. Ministry of Agriculture (MoA)	The MoA is responsible for ensuring that the country's agricultural lands are utilized in a productive and sustainable manner. The MoA coordinates the operations of the nation's newly privatized farms and livestock operations. It is main user of water and land resources in Kazakhstan.
▪ Committee for Land Resources (CLR)	The CLR is responsible for determining appropriate land-uses and distributing land to various land-users in Kazakhstan.
3. Parliamentary Environment Committee (PEC)	The PEC is one of the main organizations involved in developing environmental legislation. Comprised of elected parliamentarians and policy specialists and technical staff.
Kazakhstan Academy of Science (KAS)	The KAS manages and coordinates scientific research work in Kazakhstan. They have a central research institute system with regional branches or centers throughout Kazakhstan. KAS is responsible for the GoK's environmental research and monitoring and for making recommendations for effective wetland conservation and management activities.

4. Kazneerx	A GoK institution responsible for the scientific management of fishery resources in the Ural River Delta. The organization is responsible for monitoring fish populations and setting sustainable catch quotas for sturgeon and other fish resources. Kazneerx will work with the project to include biodiversity conservation criteria in their management regime.
5. Regional Akhimat Administrations	The Akhimat Administrations are headed by the Oblast Akhim and are the representatives of the national government at the local level. The RAA are in charge of all government activities in their respective oblasts. District Administrations implement the decisions of the RAA at the district level.
Non-Governmental Organizations	
1. Caspi-Tabigat	An ecological NGO in the Atyrau region concerned with prevention of oil pollution in the northern Caspian region.
2. Koryk	An association of protected area workers and scientists assisting the GoK in organizing new SPAs and providing additional assistance to the protected area staff.
3. Nature Protection Society (NPS)	The main purpose of the NGO “Nature Protection Society of Kazakhstan” (NPS) is to raise the level of environmental awareness in Kazakhstan. With the occasional support of international NGOs (IUCN, WWF, WI, UNEP), the NPS has made some progress in reaching out to school children, but these activities are sporadic and not systematic
4. NABU	A European NGO dedicated to assisting conservation and sustainable use of biological diversity in the former USSR. NABU is working in Kazakhstan to strengthen the management and status of Tengiz-Kurgaldzhin.
5. Water Users Association	A group of NGOs and local citizens in the Syr Daria area who have initiated efforts on the fair distribution of water resources.
6. Kaz Hunting and Fishing Union	A national NGO with chapters in every region and district of Kazakhstan with plenty of resources at the national and local level. At the regional level, it is responsible for managing specially designated hunting and fishing areas, many of which are in wetland areas.
7. Kazakh Central Asian Zoological Society (KCAZS)	An association of scientists specialising in research on biological diversity with members from all five Central Asian countries. This KCAZS managed the production of the most recent version of Kazakhstan’s Red Data Book and has developed the best database in Kazakhstan on the animals of the region as well as reference materials on experts and area of expertise and bibliographies of publications in the region.

8. Eco-Project	An commercial and scientific engineering and technical association specializing in developing EIA in the Caspian Region. They prepare feasibility studies for national parks and reserves.
Commercial Organizations	
1. Atyraubalyk	A commercial fishing cooperative holding a Government-sanctioned monopoly on the sturgeon fishery of the Ural River Delta. The cooperative will work with the project in re-orienting its fishery management program to include wetland ecosystem health criteria in addition to its traditional “production-oriented” fishery management approach.
2. OKIOC	A consortium of international and Kazakh oil companies exploring for new reserves in the northern Caspian Sea region. OKIOC has an active environmental and social/economic program for communities in the area where they are working, including for the Atyrau/Ural River Delta.
3. Jibek-Joli	A travel company that specializes hotel management and developing and leading tours to various destinations in Kazakhstan. They have a special program for the development of local economies along the historical “Silk Road,” that includes the Alakol/Sassykol wetland area.

PROJECT CATEGORISATION SHEET

Focal Area Categories					
Biodiversity		Climate Change		International Waters	Ozone Depletion
Conservation ✓		Energy conservation (prod./distribution)		Trans-boundary Analysis	Monitoring:
In situ ✓	Ex situ	ESCO's	Efficient Designs	Strat. Action Plan Development	ODS phase out (Production)
Sustainable Use ✓		Solar:		Freshwater Basin	ODS Phase Out (Consumption)
Benefit-sharing		Biomass:		Marine Ecosystem	Other:
Agrobiodiversity		Wind:		Wetland Habitat	
Trust fund ✓		Hydro:		Ship-based	
Ecotourism ✓		Geothermal:		Toxic Contaminants	
Biosafety		Fuel cells:		GPA Demonstration	
Policy & Legislation ✓		Methane recovery:		Fisheries Protection	
Buffer Zone Dev. ✓		Other:		Global Support:	
b. Categories of General Interest					
Investment ✓		Technical Assistance ✓		Targeted Research	Land Degrad.
Technology Transf. ✓		Small Islands		Info/Awareness ✓	Private Sector
c. Community & NGO Participation					
<i>Involvement type</i>	project design	Implementation	info/awareness	consultation	
<i>Names of Communities and NGOs Involved</i>					

STAP REVIEW & COMMENTS ON STAP REVIEW

INTEGRATED CONSERVATION OF PRIORITY GLOBALLY SIGNIFICANT MIGRATORY BIRD WETLAND HABITAT: A DEMONSTRATION IN THREE SITES

Review of Working draft (Project Brief of 27.03.2000)

by

Peter J. Schei, Directorate for Nature Management, Norway

SUMMARY

This project is very timely, is of high importance and should be implemented as soon as possible. The national investment and involvement is significant and creates ownership. Some improvements in scientific description of the biodiversity situation and the functional aspects of the three project areas are necessary. The need for better cross-sectoral co-ordination and co-operation should also be somewhat more addressed and tools for improvements better described. Some driving forces and future threats have not been adequately covered and should also be addressed.

I highly recommend the project to be carried out.

INTRODUCTION

This project is a very timely initiative in an extremely difficult situation for Kazakhstan. Political instability and economic stagnation in a transitional phase from state planned economy to more free, private-enterprise-based economy create enormous challenges for nature conservation and biodiversity convention implementation.

Kazakhstan's role as a hub for migratory wetland birdlife is essential for many East-European and Central-Asian species, and the threats to many of those wetlands have been accelerating in during Soviet times. Due to economic stagnation in some of the polluting industry areas and other activities influencing nature, the wetland situation is not worsened in the latest years. This gives us a golden chance of achieving lasting protection of these areas and its biodiversity which is of global importance.

The driving forces behind the proximate threats to the wetlands and its biodiversity, however, are serious, complex and very difficult to cope with. Unless there is a consolidated cross-sectoral effort to take biodiversity concerns into consideration, the transition to private economy can destroy some of these global values. The project brief shows that this situation is being addressed in the project. The overwhelmingly difficult economic situation, the poverty and lack of development, the serious water resources management situation and the lack of adequate local institutional co-operation and education, understanding and common people's ownership of conservation challenges, make it extremely difficult to achieve the goals and objectives of the project.

In my view sector integration and cross-sectoral co-ordination should be planned and described somewhat more in detail in the brief. Otherwise I feel that there is reasonably good understanding and coverage of the driving forces and how to attack them. I would, however, have liked to see the problems related to corruption, lack of clear allocation of power and responsibility to and between the various national, regional and local authorities, and lack of continuation in administrative management positions better addressed. The problem of “drainage” of good people from ministries and other authorities out to special project organisations and consultant firms due to better payment, is a general challenge in the former Soviet states, and should also be addressed.

SCIENTIFIC DESCRIPTION OF NATURE STATUS AND CONSERVATION NEEDS

There is very little description of the criteria for selection of these three sites among all the important wetland areas in Kazakhstan. I take it that the selection process has been thorough and has included sufficient knowledge and expertise.

However, one tends to be somewhat sceptical concerning the accuracy of the scientific data and description when discovering a number of errors inaccuracies and mistakes regarding the biodiversity situation in the three areas. Most of the English species names are also wrong or inaccurate.

Some examples:

- The Siberian white crane (*Grus leucogeranus*) does not breed in the Ural delta. Breeding areas and migrating areas must be managed differently!
- (*Bubulcus ibis*) is Cattle egret and not Egyptian ibis as described.
- (*Anser erythropus*) is the highly threatened Lesser white-fronted goose and not any other goose. There are, however, several other geese species also occurring in the Ural delta on migration. For the Lesser white-fronted goose there are other wetlands in Kazakhstan of probably greater importance than this delta.

Although this may be somewhat pedantic, I would like to see the scientific description of the biodiversity and the ecofunctional aspects of the three sites more accurate. The various chosen and implemented management regimes must be well adapted to the different species and their special needs according to wetland functions.

DRIVING FORCES AND THREATS

In the introductory part I have mentioned some driving forces and threats to conservation that should be more addressed. Although job creation and poverty alleviation is difficult to achieve, it is essential for the success and sustainability of the project and its outcome. There must be something in it for the local people! Illegal hunting and fishing is an increasing problem. This should be better addressed.

The role of the national and regional authorities in securing proper water resources management regimes for the waterways and catchment areas should also be more highlighted and addressed. Both the safeguarding of enough and timely water flow in the wetlands and the reduction of pollution is crucial to the further functioning of these areas. And biodiversity conservation is not

the obvious choice when politicians are setting their priorities here. This is one of the key challenges in the project.

The “drainage” of conservation expertise from ministries and other authorities is a general problem in many former Soviet states, and is contributing to the difficult management and policy-advice situation. In the establishment of the governing structure of the project, this must be taken into account. This problem is actually an underlying cause to a worsening situation for institutional efficiency in Kazakhstan as well as other of these states.

NATIONAL OWNERSHIP AND GOVERNANCE

Due to significant national investment in the project, there seem to be sufficient incentives for establishment of central ownership. Cross-sectoral co-operation and co-ordination is, however, very difficult here, and efficient mechanisms for this must be planned in detail. Particularly regarding water resources management, integrated nature resource management planning in the catchment areas, and for pollution control of water flow into the wetlands, is this absolutely essential. This should be more addressed and planned in the project.

The vertical steering from national through regional to local implementation is also somewhat unclear. Here the various responsibility areas and governance structure must be clearly defined and described.

LOCAL OWNERSHIP AND PARTICIPATION

This seems to be well thought of and planned for in the project, but the mechanisms and tools for achieving it are not very well described. The involvement of the various interest groups and stakeholders is a challenging task, and the right balance between establishment of new co-ordinating and governing bodies for the project and the use and inclusion of existing institutions, organisations and user groups is a delicate one to find. This should be more addressed.

I would also like to see a testing of different practices for microcredit mechanisms. There is a clear experience from many countries that giving small loans to women gives much better results than giving it to men. This would be interesting to test in this project having three different areas where job-creation and sustainable use activities in the project areas is an objective. In one of the areas the microcredit should be offered to women.

EVALUATION OF ACHIEVEMENTS, REVISIONS AND SUSTAINABILITY

Due to the complexity of the driving forces and threats and great challenges for sustainable development in Kazakhstan, it is highly likely that project governance will be difficult. From the beginning one therefore must be prepared for adaptations and changes as experience is gained. Close monitoring, frequent general evaluation of progress and adjustment of processes and ways and means is of the utmost importance. Some form of careful, neutral, foreign moderator/facilitator/control function could be of help here.

There should also be clear responsibility allocation for evaluation, revision and progress achievements, and it must be clear that lack of results should have consequences. This is not fully covered in the draft brief. The sustainability of the achievements from the project seems to be financially covered by the establishment of the conservation fund. I would, however, liked to see a description of the “permanent” local governance structures to be continued after the project finalisation.

**RESPONSE TO DR. PETER J. SCHEI'S COMMENTS ON THE UNDP-GEF PROJECT BRIEF ENTITLED
"INTEGRATED CONSERVATION OF PRIORITY GLOBALLY SIGNIFICANT MIGRATORY BIRD WETLAND
HABITAT: A DEMONSTRATION IN THREE SITES"**

JUNE 14, 2000

UNDP-GEF thanks Dr. Schei for his comments. Clarifications and improvements have been made to the project brief as a result. In addition, this response was written to respond as completely as possible to Dr. Schei's comments. The response below is organized under the same sections as in Dr. Schei's review.

Introduction:

Sectoral integration and co-ordination are of primary concern to the project and this is reflected in the project's design in many ways. One of the most important is in the development an inter-ministerial board for wetland management.

The project will help to establish an Inter-Ministerial Board of Wetland Management. The IMB will facilitate the integrated sectoral approach to developing and implementing wetland conservation policies. The IMB will spearhead the development of an intersectoral guide to implementing Kazakhstan's 39 laws that touch upon issues important to wetland conservation and management. This will then be distributed among the different national and local administrations and workshops held to brief officials on how to use it. See page 12 for some new additions along these lines.

The problems related to corruption and lack of continuation in administrative management positions are problems that are beyond the scope of this wetland conservation project. However, these problems are not unusual in most of the areas where GEF works. GEF projects are therefore designed to place the emphasis on improving local participation and control over resources in an open manner. The lack of clear allocation of power and responsibility to and between the various national, regional, and local authorities is something that will be addressed by the project through it's work with the law and policy framework. The lack of this is already mentioned by the project under its description of the current baseline situation and remedies for this are proposed under the description of the "alternative." See pages 5-6 for this information.

The problem of "drainage of good people" from Government does exist in Kazakhstan in some areas more than others. The project intends to rely heavily upon the expertise still available through the Academy of Sciences in Kazakhstan, which is developing a less expensive, less centralized and more sustainable way of operating in Kazkhstan. In fact, the project would like to establish a new professional "outsourced" relationship between the Academy and Government in wetland management. In addition, qualified ecological systems-oriented experts are in short supply in Kazakhstan because most scientists were educated in very specialized fields of study. This project will be used as a good opportunity to train national biology experts in ecological thought.

Keeping good people in Government is a challenge experienced by projects throughout the world. As a result, UNDP has learned to maintain a pragmatic and careful balance in its partnership with government. For example, one way of keeping government staff in their

government positions is to provide them with compensation in ways where they are not being paid by the international community to do work they would normally do for their government. This comes in the form of travel stipends and hiring them for short-term project consultancies if they remain with the Government service and are put on temporary leave to carry out specific functions for the project-supported initiatives. The project's size is also appropriate for the absorptive capacity of the institutions and existing baseline scenario. This means that the project's input will not be negatively disruptive to the existing staffing balance.

Scientific description of nature status and conservation needs:

The criteria for selecting the projects sites were carefully thought out and openly applied by the top experts in Kazakhstan during a PDF-B sponsored workshop. The wetland site selection criteria were the following:

- International biodiversity significance
- National significance/priority
- Level of threat to wetland biodiversity
- Socio-economic importance
- Opportunities for economic development in surrounding areas
- Urgency for action

Twelve sites were discussed by Kazakhstan's top experts and ranked based upon the following criteria. The three sites included in the project were the top three sites ranked during the workshop. See page 1 for new language added to cover this.

Corrections have been made to the scientific names of the different species. These errors resulted in part from some confusion caused by Russian-English translations. Language in this particular section of the document has been clarified to avoid confusion over what species nest where and what species use what areas for feeding and resting points. See pages 1-2 for these corrections. In addition we have developed a table listing the species of significance by area could be included in the Brief if required.

Driving Forces and Threats:

Job creation and poverty alleviation in areas around these wetlands are essential to the success of the project – to the conservation of wetland resources. The project was designed based upon the principle that “wetland management” is really “people management” and therefore, was designed to work with local people in every way. Local people will benefit a great deal from the project as more than half of the project is targeted at working with local communities in one way or another. As is written in the project brief under Output #4: “The two key threats to wetland biodiversity in Kazakhstan are 1) unsustainable use of water resources and 2) unsustainable use of biological resources. The three most serious root causes of these threats are a lack of alternative livelihoods; a lack of effective local-level property regimes; and a lack of experience in integrated management.” The project is logically designed to remove these root causes of the threats to wetland biodiversity. The largest output in the project is Output 4: Enabled Biodiversity Conservation in the Productive Landscape: US\$22,055,000. Over half of these funds will be spent on activities designed to create jobs and alleviate poverty in a “biodiversity friendly” way.

Please see page 15-16 in the project brief and also the budget summary under Output 4, pg. 21.

The role of national and regional authorities in managing water resources is recognized in the project. In fact, one of the largest co-funded elements of the project is a water management initiative in the Tengiz wetland basin. Approximately US\$10 million will be leveraged for this. See page 16 in the project brief and also the budget summary under Output 4 on page 21.

National Ownership and Governance

Cross-sectoral coordination and cooperation is very difficult in Kazakhstan – just as it is in practically every country. Once again, the IMB will be established as the main vehicle to overcome this as will the day-to-day approach of the project, involving officials from different sectors. Training programs will also include elements related to what cross-sectoral work actually is and the importance of cross-sectoral approaches.

Vertical steering of wetland management work will begin with the project's National Coordination Committee (NCC). The NCC will be formed to provide overall guidance and support to project implementation and will be comprised of senior-level officials from the Ministry of Natural Resources and Environment Protection, Ministry of Agriculture, the Forestry, Fisheries and Hunting Committee, the Ministry of Education and Science, and the private sector. No new vertical lines of authority will be created by the project. Rather, the existing intra-ministerial lines of authority will be utilized for link national decisions with regional/local actions. One of the major challenges the project faces will be how effectively it is able to involve the various interest groups and stakeholders. The project will need to find the right balance between establishing new coordinating and governing bodies and using and including existing institutions, organisations and user groups. It is a delicate one to find and the project will pay particular attention to this challenging task during its periodic monitoring and evaluation exercises. It is recommended that this issue be a key factor to evaluate during project implementation. The project is also designed to be as “flat” as possible in its implementation arrangements, with a national Steering Committee and local level “Site Implementation Committees.” See page 25 for newly added language on this.

Local Ownership and Participation

The approach the project is designed to ensure local ownership and participation. As Dr. Schei points out, the involvement of various interest groups and stakeholders in an effective way is a challenging task. It is one that the project's design makes ample allowance for and one that the project's implementation will focus upon and be evaluated. The approach is described under Output 2 (regarding the community-based management approach) and in more detail in Annex V of the brief. Micro-credit will be co-funded under this project by institutions that have a wealth of experience in providing micro-credit in Kazakhstan (USAID, UNDP) and women are a priority target of these micro-credit programs.

Evaluation of achievements, revisions, and sustainability

Project implementation will be difficult, just as most GEF projects face implementation challenges. That is why UNDP strives to build-in an adaptive management “learn while doing” approach that periodically evaluates project implementation progress based upon established

goals, assesses lessons learned from the implementation work up to that point, and incorporates those lessons learned back into project implementation: adaptive management (or “double-loop learning”). This is described under Section 8 of the project brief: Monitoring, Evaluation and Lessons Learned.

Permanent local governance structures established by the project will consist of Memoranda of Agreement (MoA) between local communities and the corresponding protected area over how joint community management will be conducted and who is responsible for what. This MoA will then support/give legitimacy for local stakeholder committees to be formed for the management of the local protected areas. The Inter-Ministerial Board is also a permanent governance structure to be continued after the project has completed its work.