Demonstrating Sustainable Conservation of Biodiversity in Four Protected Areas of Russia's Kamchatka Oblast - Phase 2

PIMS #3346

UNDP RESPONSE TO COMMENTS ON THE GEF FULL SIZE PROJECT BRIEF

Response to comments from GEF Council

USA - Comment 1: Micro credit: The project is for only 4 years. We are concerned that there is not enough time to develop the capacity for a viable micro credit institution given the long history of subsidies in the region. Is there an existing rural finance or micro credit institution in the area that will manage this component? Will there be a savings component to the project? How will it be sustained after the project closes?
Small grants facility: Who will mange the facility? How will it be monitored and evaluated? What is the relationship between the facility and the micro-credit component?

Response:	**Document reference:**
In the current design, the micro-credit and small grants facilities are two elements of a single SME Support Fund registered in the Bystrinsky District of the Kamchatka oblast. The Fund was designed and launched during the First Phase of the project and has been in operation for one and a half years now. Thus, by the beginning of the 2d phase the Fund has already accumulated certain experience, history and lessons from its operations in the Bystrinsky District. As noticed in the Evaluation report, by the end of the phase 1 the Fund managed to mobilize trust and ownership among the local communities and administration. Staring from 2005, the plan is to expand the activities of the Fund to other districts of the Kamchatka oblast adjacent to the project-supported protected areas. Design and launch of the fund was facilitated by an international consultant and two local financial institutions: Eurasia Foundation, Vladivostok (small grants facility) and Counterparts Business Fund, Khabarovsk (micro-credit facility). These two institutions located relatively close to Kamchatka (Far East) have been extremely helpful in providing in-depth training to the Kamchatka staff and facilitating operations of the Kamchatka SME Support Fund during its inception phase (for almost a year). There is already an agreement that these institutions will be involved in the monitoring and evaluation of the Kamchatka Fund over the coming years. The Kamchatka SME Support Fund was registered as an independent non-governmental non-for-profit facility. It is managed by the Kamchatka Boad of Directors, supported by a number of local consultative and expert committees, and monitored by the local Board of Trustees. The Director and staff of the Fund were hired locally following a competitive process. The staff of the Fund was provided with intensive training (study tours to successful micro-finance institutions and on-the-job coaching by professionals in micro-financing). Following the in-depth assessment of the SME Support Fund operation during 2004, a number of recommendations were made to improve management of the Fund and ensure its sustainability in future. It is expected that after expansion of the Fund to other areas of the Peninsula and accumulation of a larger client base, the Fund will reach the level of financial sustainability by the end of the UNDP/GEF project. The small grants and micro-credit components of the Fund are indeed interrelated. One of the major activities of the small grants facility is to support and empower individual entrepreneurs to start their own sustainable businesses through training, coaching and co-financing start-up costs. Thus, the small grants facility is considered to be a bridging facility aimed at strengthening client base for the micro-credit fund. Based on the recommendations from the Council members the 2d project phase was extended to 5 years. Thus, there will be more time for the project to backstop and monitor the activities of the SME Support Fund in Kamchatka.	Page50 Page36; Page45

USA - Comment 2: Trust Fund: It should be determined in advance whether to have an endowment or a sinking fund. We support using a sinking fund and setting a firm date for sun setting the Trust Fund. How long will there be a funding gap for the conservation needs of these protected areas? 15-20 years? How will the trust fund solicit proposals? Will the trust fund have annual or biannual call for proposals or will submissions be taken on a rolling basis? How will the trust fund be evaluated? Will GEF's contribution be $1.5 or $1.8 million?

Response:	**Document reference:**
The Trust Fund will encompass a combination of a sinking fund, endowment fund and a revolving fund. Separate accounts will be issued to monitor these components of the Trust Fund. Indeed, it is anticipated that the critical funding gap in PA operating costs will be ceasing in 15-20 years, while the government will be overtaking these costs. Therefore, a sinking facility has been initially proposed by the designers of the fund. However, judging by the experience of other countries (ex. Latin America), a longer-term financial mechanism such as an endowment fund will be also an important forward-looking financial mechanism supporting the future development of the PA system, training and capacity building, and applied research. Therefore, an endowment component has been built into the Trust Fund design. The decision on whether a specific donor contribution is to be placed with the sinking or endowment fund will be made based on the donor's preferences and the nature of the specific projects financed with this contribution. The basic idea for the Trust Fund design was to make it comprehensive and inclusive in order to motivate a proactive resource mobilization strategy. Procedures for the proposal solicitation, submission and approval as well as monitoring and evaluation practices are described in the draft Operational Manual for the TF designed during the 1st phase of the project (draft attached herewith). The draft has to be distributed and discussed among the key stakeholders at the beginning of the phase 2. GEF is contributing $1.5 million to the capitalization of the Trust Fund. In addition GEF resources cover costs of the design, stakeholder consultations, resource mobilization and launch/registration activities ($0.3 mln).	ANNEX M: Kamchatka Conservation Trust Fund

USA - Comment 3: Cost-effectiveness: How is this project cost-effective?

Response:	**Document reference:**
Given the value and uniqueness of the biodiversity within the project area, which includes the World Heritage Site, the project is considered to be a cost-effective investment: the "amount of biodiversity" that could be preserved in Kamchatka of each additional dollar that is spent is one of the highest cost-benefit ratios for conservation anywhere in the world. It is also understood and clearly demonstrated by the examples in other regions and countries, that the costs of preventive and conservation activities are much lower than the potential costs of rehabilitation of biodiversity loss, which is not always possible. Replication and dissemination component has been built into the design of this phase, which will help to share lessons and best practices generated by the project with other regions and institutions through out the Russian Federation. This will increase the impact of the project overall, reduce costs and increase effectiveness. Project activities have been designed to avoid duplication with and to complement other projects and programmes, both GEF and non-GEF. Institutional capacity development activities were designed to simplify and strengthen existing institutional structures and mechanisms instead of creating new ones.	New sub-section on cost-effectiveness incorporated into the project document, page7

Germany - Comment 1: Taking into account that an independent evaluation was already undertaken upon nearing the completion of the project's first phase, the high efforts needed to prepare and conduct external overall reviews, and the rather limited budget allocated for M&E operations, it may be considered:
- to introduce and/or strengthen a system of internal stakeholder evaluation with the participation of target group (self evaluation). This system seems in particular appropriate for those components which deal with income generation for the local population.

- to combine technical assistance with an evaluation of previous activities in the relevant field. This would thus result in assessing and reviewing individual project components, not in overall-evaluations.

Response:	Document reference:
Judging upon the experience of the mid-term external evaluation conducted during the first phase of the project, UNDP and the national counterparts find the external expert evaluations to be very useful tools. They provide a holistic and impartial picture of project's achievements and useful professional recommendations for strengthening project strategy and approaches. In addition to this, the main co-funding partners of the project – the Government of Canada – also prefer to keep the proposed M&E framework. On the other hand, we appreciate recommendation of the GEF Council member on introducing a system of internal stakeholder evaluations and self evaluations by the target groups. The project will pilot this system.	Provisions for internal self-evaluations are added. page16

Germany – Comment 2: The project is going to establish the Kamchatka Biodiversity Conservation Trust Fund (KBCTF) which will generate means for PA operations. It is foreseen that the fund will be operational by the end of year 3. Although it is appreciated that KBCTF builds on experiences gained through a Small-Medium Enterprise Fund and a Small Grants Programme established already in Phase 1 of the Project, it seems critical to get KBCTF operational only towards the end of the project. Operational procedures need to be tested, adapted and refined, and this will reveal as a time-consuming process. Efforts should therefore be undertaken to get the Fund operational at an earlier time, in order to save time for making the necessary experiences before passing the full responsibility to national institutions.

Response:	Document reference:
The comment is well taken and necessary clarifications to the design of the Trust Fund will be made. It is now expected that the fund will be registered during the year 1 of the 2d project phase. The management structures and operational procedures will be also established during year 1, so that the fund is able to receive and invest donors' contributions. Efforts will be undertaken to fully operationalise the Trust Fund at an earlier time.	N/a

Germany – Comment 3: The project foresees a budget of US$ 320,000 for the development of alternative livelihoods and community-based conservation activities. This is less than 6% of the overall GEF contribution. Given the importance of income generation for the sustainability of the project outcome, the funding level seems not adequate. Even awareness-building has a higher share of the budget. It is recommended to allocate more resources to community-related activities including the development of eco-tourism and the promotion of non-wood forest products as a source of income.

Response:	Document reference:
In response to the overall GEF policy of incremental costs, non-GEF co-financing has been mobilized for the alternative livelihoods component. This allowed reducing GEF allocation to this outcome without hampering its quality, while the majority of GEF funding was channeled towards strengthening PA systems and capacity building (pure incremental activities). The major part of the contribution from the Canadian Government is channeled to the activities related to alternative livelihoods, indigenous people, co-management and promotion of the non-timber forest products (NTFPs). Canadian contribution also covered capitalization of the SME support fund (micro-credits and small grants to local communities) coming to over US$990,000 for the 2d phase. This makes alternative livelihoods and community management component of the project a substantial investment. In addition, a new project on ecotourism in Kamchatka has recently been approved for funding by UNF with the co-funding from the Betty and Gordon Moore Foundation ($1.5 mln). This project will help promote sport fishing and ecotourism in and around the world heritage sites of Kamchatka.	CIDA co-financing letter ANNEX G: LETTERS OF CO-FINANCING SUPPORT Annex E. Incremental costs analysis: page68; page70

Germany – Comment 4: Management operations are "hided" behind the various project components, and the proposal does not allow to review them. It has revealed useful to introduce a separate project component for project management and M&E operations, to make these efforts visible.

Response:	Document reference:
UNDP formatted budget in the project document includes a separate section for project management costs.	Budget

Switzerland – Comment 1: The main concerns are that (a) the project targets are too optimistic and cannot be achieved within the proposed four year project timeline of a combined phase 2 and 3; and (b) that the requested $ 5.5 million cannot be spent wisely within this short time frame. We support the proposal in principle but strongly suggest an expansion of the proposed project timeline by a minimum of two years (6 years instead of 4) in order to achieve measurable and sustainable results.

Response:	Document reference:
Following the recommendation of the Council members the 2d phase of the project will be extended to 5 years. This will allow implementation of all the planned activities in the reasonable pace. The further extension doesn't seem feasible at this stage as it will considerably increase operational costs of the project cutting the funds for substantive activities. During the first phase of the project, the project team has acquired a good level of management capacity and skills in contracting and financial operations. The project will be able to maintain stable pace of disbursement over the coming years.	Extension of the project is reflected in the project document: SIGNATURE PAGE; ANNEX h: PROJECT PHASE 2 WORKPLAN

Switzerland – Comment 2: Page 18:Any revenue retention at source (gate fees, resource use fees etc.) will be a critical requisite in revenue generation by the PAs, as rightly stated in the proposal; will it be legally possible in Russia?

Response:	Document reference:
Yes, Russia's current legal and regulatory framework allows revenue retention by the PAs. While the concept of gate fees is being widely discussed, there are opportunities for the PAs to generate revenues from ecotourism and visitor services, concession contacts, green labelling, etc.	N/a

Switzerland – Comment 3: Page 24 output 1.1: It should be kept in mind that any additional infrastructure development and new equipment result in follow-up costs increasing the operational budget even further. The same applies to staff; any additional position increases the operational costs.

Response:	Document reference:
This is a valid comment and it has been taken into consideration during preparation of the PA management and operational plans in the course of the 1st phase of the project. While additional staff and infrastructure is still absolutely necessary for PAs to function adequately, the individual PAs' annual operational plans and budget are to be updated accordingly. One of the solutions to the increasing operational costs is establishment and operationalisation of the Kamchatka Conservation Trust Fund as proposed in the project.	

Switzerland – Comment 4: Page 25 output 1.3: Caution is suggested regarding proposed baseline research and data gathering for which Russian Zapovedniks have been famous in the past. Only applied research absolutely essential for management purposes should be endorsed.

Response:	Document reference:
The project team shares these views. The project proposes that only essential information will be compiled, with support for these activities being derived from the sustainable development baseline. The information gathering will address the gaps identified during the design of the biodiversity management database and GIS system as well as the needs for result-based monitoring. The project will avoid investing into costly research. In many cases the information gaps can be addressed by better management, analysis, harmonization and codifying of the existing information instead of initiating new field research.	N/a

Switzerland – Comment 5: Page 39:The $320,000 allocated for the generation of alternative livelihood appear very little (i.e., only 5% of GEF grant) compared to the overall budget and the importance of this project component. It should be considered to increase this amount and decrease the amount proposed for strengthening PA management capacity (i.e., $ 3.1 million).

Response:	Document reference:
See response to comment 3 from Germany	CIDA co-financing letter ANNEX G: LETTERS OF CO-FINANCING SUPPORT Annex E. Incremental costs analysis: page68; page70

Switzerland – Comment 6: Please clarify why the summary budget does not show the origin of the seed money for the proposed Trust Fund to be provided by GEF.

Response:	Document reference:
Resource mobilization and co-financing arrangements to the TF are to be finalized during the Phase 2. See Annex M on the TF resource mobilization strategy.	ANNEX M: Kamchatka Conservation Trust Fund Strategic approach to capitalization of the TF

GEF Secretariat Comments (expected at CEO endorsement)

Comment:	Response:	Document reference:
A clear timeline of costed activities for baseline establishment for each outcome should be provided	Provided in the Results and Resources Framework, project budget and project work plan.	PROJECT RESULTS AND RESOURCES FRAMEWORK Budget ANNEX h: PROJECT PHASE 2 WORKPLA
Please provide letters of financial support from all cofinanciers	Provided in Annex G.	AnnexG

UNITED NATIONS DEVELOPMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY
GOVERNMENT OF THE RUSSIAN FEDERATION

Demonstrating Sustainable Conservation of Biodiversity in Four Protected Areas of Russia's Kamchatka Oblast - Phase 2

This full size project, initially designed as a seven-year intervention to help secure the globally significant biodiversity values of the Kamchatka Peninsula's protected areas, was approved by GEF Council in 2001. The project's implementation commenced in July 2002. Due to the financial constraints faced by the Global Environment Facility at the time, however, the funding and thus implementation of this project had to be split into 3 phases of two, three, and two years duration, with financing from GEF being advanced only for Phase 1. The first phase was subsequently extended to the end of December 2004. Thus, this Brief is being submitted as a first step to securing the funding required to continue the project's implementation for its intended duration. The second and third phases have now been combined into one. Thus, this Brief is being submitted in order to cover the final five years of the project, 2005 - 2009.

The project's goal or development objective is to help secure the globally significant biodiversity values of the Kamchatka Peninsula's protected areas. Its immediate objective is to demonstrate approaches for sustainable and replicable conservation of biodiversity in four different existing protected areas. The project has five primary outcomes: (i) The effectiveness of the four protected areas in conserving their biodiversity will be improved through strengthened institutional capacity for their governance and management; (ii) Sustainable alternative biodiversity-supporting economic development activities for local communities will be promoted so as to decrease pressure on the PAs' biodiversity, and community involvement in conservation will be increased; (iii) Awareness of and support for biodiversity conservation and sustainable development will be heightened among all stakeholders; (iv) Sustainable protected area and biodiversity conservation supporting financing mechanisms will be established; and (v) Mechanisms for transferring and replicating best practices and lessons learned will be developed and implemented through ministerial and NGO channels throughout Kamchatka and the Russian Federation.

This project is one part of a broader UNDP/GEF conservation programme for the Kamchatka peninsula, which also includes a salmon biodiversity conservation project approved in 2003 and the Commander Islands conservation and management project. The proposed project exploits linkages and collaboration with these projects through the strengthening of anti-poaching measures, institutional strengthening and capacity building, community co-management and alternative livelihoods, increasing biodiversity awareness, and sustainable financing through a joint Trust Fund. The project also provides a coherent unifying framework for the integration of a number of non-GEF initiatives of supported/implemented by UNDP in Kamchatka. These include particularly the work of IUCN on NTFPs and community outreach, the initiatives of UNESCO dealing with TEK, and the UNF-funded project on ecotourism in and around UNESCO WHSs in Kamchatka. This allows the adoption of a comprehensive and coherent programmatic approach to the conservation of Kamchatka's biodiversity and the promotion of its sustainable use.

Date: _____

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LIST OF ACRONYMS

BNP	Bystrinsky Nature Park
CBD	Convention on Biological Diversity
CCF	Country Cooperation Framework (UNDP)
CIDA	Canadian International Development Agency
GEF	Global Environment Facility
GOR	Government of the Russian Federation
IUCN	World Conservation Union
KamchatNIRO	Kamchatka Scientific Fisheries Research Institute
Sevvostrybvod	Kamchatka State Fisheries Management Agency
KIENR	Kamchatka Institute of Ecology and Natural Resources
KNPD	Kamchatka Nature Parks Directorate
KOA	Kamchatka Oblast Administration
KSBR	Kronotsky State Biosphere Reserve (Zapovednik)
KSCNP	Kamchatka State Committee for Nature Protection
KHMA	Kamchatka Hunting Management Agency
KBCTF	Kamchatka Biodiversity Conservation Trust Fund
M&E	Monitoring and Evaluation
MNR	Ministry of Natural Resources
NGO	Non-governmental Organization
NNP	Nalychevo Nature Park
NRC	Natural Resources Committee (Kamchatka and Koryaksky Autonomous Okrug)
NTFP	Non-timber Forest Products
PA	Protected Area
PDF-B	Project Development Facility, Block B (GEF)
PSC	Project Steering Committee
SCEP	State Committee for Environmental Protection - Russian Federation
SKSS	South Kamchatka State Sanctuary (Zakaznik)
SMESF	Small and Medium Enterprise Support Fund
TEK	Traditional Environmental Knowledge
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WCS	Wildlife Conservation Society
WHS	World Heritage Site
WWF	World Wide Fund for Nature

PART Ia. SITUATION ANALYSIS

Detailed description of the project context and territory, threats and root causes of biodiversity loss, baseline and alternative GEF scenario are presented in the Annex A (GEF project brief).

The proposed project is the second phase within the initial 7-year GEF intervention designed and approved in 2002. Due to the financial constraints faced by the Global Environment Facility at the time, however, the funding and thus implementation of this project had to be split into phases. Thus, this project represents a continuation of conservation activities already started in Kamchatka in order to cover the final five years of the project, 2005 - 2009. The remainder of the project (Phase II) has been further refined from what was originally envisaged on the basis of lessons learned during Phase I, as well as the results and recommendations stemming from an in-depth evaluation of Phase I conducted by an independent expert team. An Executive Summary of the evaluation report is provided as Annex L of the Project Document.

Project context

The 1,500 km. long and 472,000 km^2 Kamchatka Peninsula is situated between the Okhotsk Sea on the west and the Bering Sea on the east. Due to its previous isolation on account of its strategic military significance, low population density, few roads, small and dispersed settlements, and little large-scale development, much of the peninsula still possesses globally important biodiversity. The significance of Kamchatka's biological diversity is measured not so much by species richness, as it is by the presence of numerous rare and unique species, species assemblages and ecosystem processes, including volcanic and geothermal ones. Also, a great number of endemic species and sub-species of plants and animals inhabit the peninsula. For example, 10% of Kamchatka's 1,168 plants are endemic. As a result of its island-like environment, there is also an ongoing process of diversification among the peninsula's endemic species and sub-species.

Approximately 15,000 Kamchatkan brown bear *(Ursus arctos),* the second largest sub-species in the world, are found in pockets throughout the peninsula. The peninsula is also the centre of distribution for the largest eagle in the world, the rare Steller's sea eagle (*Haliaeetus pelagicus*). Sixty percent of these eagles, or some 4,500 individuals, inhabit the peninsula. Approximately 1,800 endangered northern sea lions (*Eumetopias jubatus*) live along its coast, as does the only population of sea otters in the Western Pacific. Walrus and the five species of seal found in the North Pacific, along with numerous seabird colonies, can also be found in abundance along the peninsula's coastline and on surrounding islands. Fifty percent of the global population of Aleutian tern nests on the peninsula. The diversity described above is supported in large part by the richness of ichthyofauna in the peninsula's streams and coastal waters. The peninsula possesses some of the world's greatest diversity of salmon, trout, and char. All species of Pacific salmon, representing one third of the entire Pacific population, spawn in Kamchatkan rivers. Nevertheless, according to preliminary data of the former KSCEP[1], 59 faunal species on the peninsula are threatened or endangered, and are listed in the Russian Federation's Red Book.

Like other parts of the Russian Federation, Kamchatka has not been spared the economic downturn and associated social hardships experienced in the country during the past dozen years. The dramatic reduction in federal budgetary support, in conjunction with the new economic conditions, have forced the Kamchatka Oblast Administration to become more self-reliant in meeting its budgetary requirements.

[1] The KSCEP, like all former regional level State Committees for Environmental Protection, was abolished by Presidential Decree on May 17, 2000 and its functions were amalgamated within the Ministry of Natural Resources. The Natural Resources Committee is now the Oblast level MNR body.

Invariably, this translates to greater pressure being applied upon the region's still largely untapped natural resources. The economic crisis has been exacerbated by high energy and transportation costs. This has resulted in marked declines in industrial production, decreases in real wages, and increases in prices. The peninsula's population has also been decreasing as people move to the mainland in search of employment. The official unemployment rate is approximately 15% of the active labour force, although some unofficial estimates place the figure near 50%. Of note, and on the basis of official figures, is that depending on the settlement, from 36% - 51% of the population's income falls below what is considered to be the subsistence level. Approximately 85% of Kamchatka's 386,000 residents reside in the Petropavlovsk-Yelizovo urban district. The rest live in small settlements and villages throughout the peninsula. Two of the four project sites are located either near to or include communities. The other two sites are accessible only by helicopter, all-terrain vehicles, snowmobiles or boat.

Description of the Project Areas

The Kamchatka Oblast's network of protected areas currently consists of: 2 Strict Nature Reserves (federal zapovedniks), 17 special purpose reserves or refuges (zakazniks) of either federal or Oblast significance, 4 Nature Parks (Oblast level), 1 Nature Park (local level), and 83 Nature Monuments and other sites designated for their unique features. These PAs, selected on the basis of various ecological characteristics, biodiversity values, and their uniqueness, comprise 27.4% of Kamchatka's territory. It is the intent of the Kamchatka Oblast Administration to ultimately designate approximately 31% of the peninsula under various protected area designations. One important implication of this is that since the system of PAs is nearly complete, the long-term conservation of Kamchatka's biodiversity is predicated upon the effectiveness of the *existing* PAs in conserving their biodiversity.

Four protected areas have been chosen for inclusion in the project (please see map in Annex D):

⇒ Kronotsky State Biosphere Reserve (Zapovednik);
⇒ South Kamchatka State Sanctuary (Zakaznik);
⇒ Nalychevo Nature Park; and
⇒ Bystrinsky Nature Park

Threats to Biodiversity

The principal immediate threats to the protected areas' biodiversity are summarized below.

⇒ Poaching and harvesting of natural resources beyond sustainable levels
⇒ Uncontrolled access and unorganized visitation
⇒ Pollution
⇒ Fire
⇒ A potential future threat may be mining activity near Bystrinsky Nature Park.

Root Causes of Biodiversity Loss

⇒ Weak protected area management capacity (personnel, programmes, equipment, infrastructure, training)
⇒ Inadequate quality and management of information
⇒ Absence of sustainable financing mechanisms
⇒ Low awareness and advocacy of biodiversity values
⇒ Lack of alternative livelihoods
⇒ Absence of community involvement in PA management
⇒ Inadequacies in the legal and policy framework

PART Ib. STRATEGY

The Goal of the Project

The goal or development objective of this project is to help secure the global benefits of conserving biological diversity in all protected areas in the Kamchatka Oblast. Its immediate objective is to demonstrate approaches for sustainable and replicable conservation of biodiversity in four existing protected areas as a model for a sustainable system of protected areas in Kamchatka. GEF resources would: strengthen the protected areas' administrative and management capacity; enable the development of a more rational and supportive PA legal foundation; increase stakeholder biodiversity conservation awareness, commitment and participation in PA management; further promote alternative livelihoods building upon the progress achieved in the first phase so as to decrease pressure on the PAs' biodiversity and increase community involvement in conservation; increase efficiencies by improving collaboration between federally and regionally administered protected areas and among responsible authorities; leverage co-funding support to ensure the attainment and sustainability of project results; and disseminate best practices and lessons learned to other PAs in Kamchatka, Russia and elsewhere using government and NGO channels.

This project will supplement the existing baseline situation in the four PAs with a GEF co-financed suite of incremental biodiversity conservation initiatives alongside a non-GEF co-funded sustainable development baseline.

Project Outputs

The Project's five Outputs are summarized below.

Output 1: Protected areas are effectively managed

Output 2: Local communities benefit from sustainable alternative livelihoods and are actively involved in biodiversity conservation

Output 3: Biodiversity awareness and advocacy is heightened among all stakeholders

Output 4: Sustainable financing mechanisms support conservation and promote biodiversity-friendly alternative livelihoods in and around the PA system

Output 5 PA systems and other stakeholders throughout Kamchatka and the Russian Federation systematically apply and utilize lessons learned and best practices generated by the project

End of Project Situation

The four protected areas' management will be strengthened, and they will serve as models of approaches to sustainable biodiversity conservation in different socio-economic and institutional contexts. Measurable indicators, that are presented in Annex A, will show that the long-term conservation of their biodiversity values has been assured through the elimination of the threats confronting them, and clearly evident improvements in their management. Poaching and natural resource over-exploitation will have

been significantly reduced, and the provision of alternative sources of livelihood for local communities will have negated the biodiversity exploitation pressure from these populations. The recreational potential of the areas will have been realized at a sustainable level through planned and well-managed tourism and visitation, activities that will also contribute to increasing the areas' self-financing capability. The protected areas will enjoy strong support from local communities, decision-makers at all levels and the general public, and will serve as anchors for the continued raising of biodiversity awareness and recognition of the need to safeguard biodiversity values among future generations in Kamchatka and visitors alike. Moreover, the protected areas will provide managers and decision-makers a replicable model for improving the management of the entire system of PAs in Kamchatka and indeed the entire Russian Federation. Likewise, the project will provide a replicable model for the coordinated and effective management of federal and regional PAs under the new institutional structure governing PAs in the Russian Federation.

Lessons learned and replicability

The project lessons will be replicable across all of Kamchatka Oblast, the Kamchatka Peninsula, throughout the Russian Federation, and beyond. Outcome 5 is specifically designed to ensure the dissemination of best practices and lessons learned, and the replication of methodologies developed to the system of protected areas in Kamchatka and throughout the Russian Federation. While regional diversity and disparities in the level of PAs' capacities and development could hamper a whole scale replication of project experience throughout Russia, there is confidence that concrete products and lessons generated by the project will be replicable with the use of a flexible demand-tailored approach. This replication potential is ensured by:

- relatively homogeneous legal and regulatory framework for PA management through out Russia;
- involvement of the federal ministry;
- representative and inclusive selection of project sites (federal and regional PAs; different level of initial capacity; representative threats to biodiversity);
- diverse nature and number of project lessons/solutions/products representing a balanced approach to conservation and regional development.

The following elements of the project are most suited for replication in other areas:

- database design consistency with federal criteria and international standards
- meta database design, data management and exchange mechanisms
- PA monitoring programme design and implementation
- Management Plan and Operational Plan preparation for PAs
- reduction of visitor impacts
- biodiversity awareness raising programme development and delivery
- mechanisms for increasing self-financing by PAs
- working with and involving local communities in PA management and biodiversity conservation activities, specifically the work of Community Conservation Councils
- micro-crediting for the development of alternative biodiversity supporting livelihoods

Replication will be generated through published project materials as well as by seminars for staff of other PAs, local communities and all other stakeholders. A regional dissemination strategy will be built upon UNDP Russia's programme network (e.g. Altai Sayan, Lower Volga) and ministerial and regional PA networks. It will also be tailored on the basis of an analysis of partners' capacities and demands for various specific products and solutions generated by the project.

Cost-effectiveness:

Given the value and uniqueness of the biodiversity within the project area, which includes the World Heritage Site, the project is considered to be a cost-effective investment: the "amount of biodiversity" that

could be preserved in Kamchatka of each additional dollar that is spent is one of the highest cost-benefit ratios for conservation anywhere in the world. It is also understood and clearly demonstrated by the examples in other regions and countries, that the costs of preventive and conservation activities are much lower than the potential costs of rehabilitation of biodiversity loss, which is not always possible.

Replication and dissemination component has been built into the design of this phase, which will help to share lessons and best practices generated by the project with other regions and institutions through out the Russian Federation. This will increase the impact of the project overall, reduce costs and increase effectiveness.

Project activities have been designed to avoid duplication with and to complement other projects and programmes, both GEF and non-GEF.

Institutional capacity development activities were designed to simplify and strengthen existing institutional structures and mechanisms instead of creating new ones.

PART II. RESULTS FRAMEWORK

(see matrix below)

Logical Framework matrix approved by the GEF Council is presented in the Annex B.

Incremental Costs Analysis and matrix approved by the GEF Council are presented in the Annex E.

PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Results Framework:
Improved capacity of national/sectoral authorities to plan and implement integrated approaches to environmental management and energy development that respond to the needs of the poor

Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target.
A central co-ordinating body for NSSD implementation is operational with high level of political support, participation of local authorities, civil society and the private sector. The target for the outcome constitutes an enhanced national capacity at the federal, regional, and local levels to prepare, implement and coordinate the sustainable environment development strategy.

Applicable Strategic Area of Support:
Goal G3: Environmentally sustainable development to reduce poverty
SubGoal G3-SGN1: Sustainable environmental management and energy development to improve the livelihoods and security of the poor
SAS 02: Institutional framework for sustainable environmental management and energy development

Partnership Strategy:
UNDP builds strong stakeholder coalitions to allow participatory implementation of environment protection and management programmes on a sustainable basis. Such partnerships include UN Agencies, international funds, bilateral and multilateral organizations, Russia's national, regional, and local government bodies, national and international environmental NGOs, academic institutions and universities, local population and private sector. In doing so, the CO launched donor meetings on environment and continues to act as an informal secretariat for these meetings. On the programme level UNDP leads partnerships through Steering Committee meetings, stakeholder consultations, joint missions, etc.

For the purpose of this project the main partners are the Russian State Fisheries Committee, Kamchatka Oblast, Moscow State University, Wild Salmon Centre, KamchatNIRO, U.S. National Science Foundation/Flathead Biological Station, regional environmental NGOs, business and local communities.

Project title and number: Demonstrating sustainable conservation of biological diversity in four protected areas of Russian Kamchatka Oblast – 2d phase

Intended outputs	Output targets (annual)	Indicative activities	Input
1. Protected areas are effectively managed	End of Year 1: Total score according to tracking tool PA management scorecard increased by 7% in each project PA; PA's management is guided by Management plans End of Year 2: Total METT score increased by 7%; degraded sites are cleaned up End of Year 3: Total METT score increased by 7%; monitoring; regulatory changes for PAs management made; monitoring programmes developed and operational End of Year 4: Total METT score increased by 10%;	1.1 Essential infrastructure and equipment is acquired 1.2 PA Administration and staffing is strengthened to effective levels 1.3 Biodiversity information and its use in decision-making is improved and monitoring programmes are instituted 1.4 Pollution at degraded sites is removed 1.5 New Management Plans and annual Operational Plans are prepared and implemented	International consultants $110,000.00 Project staff $202,000.00 National experts $130,000.00 Workshops $60,000.00 Sub-contracts $1,144,000.00 Equipment

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	number of illegal incidents reported declines by 50% End of Year 5: Total METT score increased by 10% comparing with year 4 and 40% comparing with baseline	1.6 The legal and regulatory base of the PAs is improved	$482,000.00
2. Local communities benefit from sustainable alternative livelihoods and are actively involved in biodiversity conservation	End of Year 1: 10% of local population use NTFP sustainably for livelihood, 10% are involved into tourism and PA protection End of Year 2: 3 Community Conservation Councils established; PA management decisions are made jointly with community members (for Nature parks only) End of year 3: 15 % of local population uses NTFP sustainably for livelihood, 15% are involved into tourism and PA protection End of Year 4: 50% decrease in average number of conflicts between PAs and communities; number of known poachers in adjacent communities decreased by 30%; Monitoring of regeneration of important NTFP species (e.g. Golden root) indicates increase of 30% over baseline End of year 5: 20% of local population uses NTFP sustainably for livelihood, 20% are involved into tourism and PA protection; at least 15 new sustainable biodiversity supporting enterprises have been established	2.1 Sustainable use of NTFPs in PAs is developed for economic benefit 2.2 Local populations are involved in tourism and PA protection 2.3 Traditional resource knowledge and uses are supported 2.4 Co-management and community based conservation mechanisms are established 2.5 Ecotourism promotion and marketing programme is implemented	International Consultants $16,000.00 Project staff $82,00.00 National experts $135,00.00 Workshops $52,00.00 Sub-contracts $107,000.00
3. Biodiversity awareness and advocacy is heightened among all stakeholders	End of year 1: 30 schoolchildren and 15 PA managers are involved into awareness programmes; awareness programmes operational on 4 PAs End of Year 2: Awareness and education programmes are adopted and operational in 4 schools End of year 3: 70 schoolchildren and 25 PA managers are involved into awareness programmes End of Year 4: An increase of 50% over baseline coverage of biodiversity conservation issues in media; holding of 8 public events (round tables, press-conferences, public hearings etc.) End of year 5: 100 schoolchildren and all PA managers are involved into awareness programmes; attendance of	3.1 Awareness raising programmes for schools are developed and implemented 3.2 Awareness raising programmes for PAs are developed and implemented 3.3 Public environmental events are held 3.4 Awareness raising programmes for society at large are developed and implemented	International consultants $16,000.00 Project staff $82,00.00 National experts $135,00.00 Workshops $52,00.00 Sub-contracts $107,000.00

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	public events increased by 50% over baseline; TV programmes, radio broadcasts, print articles, project newsletter prepared and delivered (100% over baseline)		
4. Sustainable financing mechanisms support conservation and promote biodiversity-friendly alternative livelihoods in and around the PA system	End of year 1: SME Fund provides at least 10 microcredits for locals. PA revenues generating system is established End of Year 2: PA revenue generating system operational SME Fund provides at least 10 microcredits for locals; End of year 3: SME Fund provides at least 10 microcredits for locals; PA revenues allow to support at least 2 additional staff members in Bystrinsky and Nalychevo nature parks; KBCTF is capitalized and providing funding for conservation activities in the PAs by start End of Year 4: Recurrent costs of PA management do not require additional donor support; 4 additional staff salaries are paid for by MNR and KOA; Trust Fund operational (international and Russian branches capitalized) End of year 5: SME Fund attracts at least 15 more clientele from locals in targeted areas; PA revenues and government budget allocations allow to support 100% constant staff members in Bystrinsky and Nalychevo natural parks	4.1 The Small-Medium Enterprise Fund and Small Grants Programme continue to support the development of alternative livelihoods for local communities and community based biodiversity conservation initiatives 4.2 The Kamchatka Biodiversity Conservation Trust Fund is established 4.3 PA revenue generating mechanisms are designed and institutionalised 4.4 Public-private partnerships supporting revenue generation and sustainability of the PAs are demonstrated	International consultants $10,000.00 National experts $26,000.00 Workshops $3,000.00 Sub-contracts $1,393,000.00 Missions $49,000.00 Miscellaneous $19,000.00
5. PA systems and other stakeholders throughout Kamchatka and the Russian Federation systematically apply and utilize lessons learned and best practices generated by the project	End of year 1: 10 PA managers from other regions of Russia are trained End of year 2: training centre is designed and established; training programmes are developed End of year 3: 20 PA managers from other regions of Russia are trained at joint seminars; 5 seminars and training sessions are held End of year 4: management models from project	5.1 Materials on best practices and lessons learned are prepared for distribution 5.2 Staff of other PAs and all stakeholders are exposed to best practices and lessons learned 5.3 Systemic nation-wide replication of project lessons and results through ministerial and NGO networks	National experts $9,000.00 Workshops $40,000.00 Miscellaneous $41,000.00

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	replicated in at least two more PAs (federal and regional); PA management approaches and principles, including coordination mechanisms, applied to other PAs in Kamchatka and Russian Federation; agreements to replicate lessons learned and best practices are adopted by the remaining PAs in Kamchatka, as well as other PAs in Russia (priority targeted region is Altay-Sayan) End of year 5: 40 PA managers from other regions of Russia are trained at joint seminars, dissemination materials prepared and distributed through ministerial and NGOs network; best practices and lessons on resources use introduced into Kamchatka sectoral policies		

PART III. MANAGEMENT ARRANGEMENTS

The project will continue to be executed by the MNR with the direct joint participation of the KOA, and will continue to adhere to UNDP rules and procedures for national execution (NEX). The administration of project funds will be maintained as the joint responsibility of the UNDP and the MNR. The MNR is the National Executing Agency for the project. In particular, the MNR's responsibilities will include: 1) certifying expenditures under approved budgets and work plans; 2) tracking and reporting on procurement and outputs; 3) coordinating the financing from UNDP/GEF with that from other sources; 4) approval of Terms of Reference for contractors and required tender documentation; and 5) chairing the Project Steering Committee (National Project Director). The PSC will monitor the project's implementation to ensure timely progress in attaining the desired results, and efficient coordination with other projects. The MNR and the KOA will also facilitate the implementation of the required legal and regulatory reforms. The UNDP will be accountable to the GEF and other donors for proper use of project resources. UNDP will, therefore, be responsible for monitoring, supervision and evaluation of the project during the project's lifetime. The implementation arrangements for the project have been designed to maximize transparency and accountability. Disbursement figures will be made publicly available. These arrangements have been accepted by the stakeholders.

Participatory decision-making is also highly stressed in the project. The Project Steering Committee (PSC) will continue to provide overall guidance and support to project implementation activities. In order to allow for effective decision-making and coordination with other environment and socio-economic projects implemented in Kamchatka, the PSC will include representatives of the MNR and the Kamchatka NRC, the Administration of the Kamchatka Oblast, UNDP, key regional nature resources management authorities (Sevvostrybvod and the Hunting Management Agency), leading academic and research institutes (KIENR and KamchatNIRO), indigenous peoples' organizations, and leading environmental NGOs. The PSC will again meet the first month after Phase 2 commencement, and subsequently every six months to review the project and set major policy and implementation directions.

The PSC is chaired by the National Project Director (NPD). The PD is designated by the MNR and is responsible for carrying out the directives of the PSC and for ensuring the proper implementation of the project on behalf of the MNR. In doing so, the PD is responsible for management, reporting, accounting, monitoring and evaluation of the project, and for proper management and audit of project resources.

The Project Manager (PM) reports to the NPD. The PM is a full time project employee and was chosen in an open and fair competitive manner following standard UNDP hiring procedures. The PM is in charge of implementing the project and managing project activities. He/she oversees and co-ordinates the work of the working groups located in Kamchatka. All staff will continue to be hired using standard UNDP hiring procedures. If recruitment is carried out directly by the Executing Agency, the rules and regulations of the Russian Federation will apply. UNDP may monitor the transparency and competitiveness of the selection and recruitment process in such cases.

The UNDP Country Office will continue to monitor the project's implementation and achievement of outcomes and will ensure the proper use of UNDP/GEF funds. Financial transactions, reporting and auditing will be carried out in compliance with the national regulations and UNDP rules and procedures for national execution. The UNDP Country Office will ensure its functions related to the day-to-day management and monitoring of the project operations through the UNDP/GEF Programme Co-ordinator based in Moscow and the Project Manager based in the UNDP Project Office in Kamchatka. The UNDP Country Office will continue to support the project's implementation by maintaining the project budget and project expenditures and providing other assistance to project execution activities upon request of the

National Executing Agency. The UNDP Country Office will provide these services in accordance with the "Letter of Agreement between UNDP and the Government for the Provision of Support Services". At the same time, the UNDP CO will invest heavily into building local and national capacities for project execution with the intention of minimizing its involvement in project execution by the end of the project for the purpose of he project's sustainability.

Project implementation will continue to be shared among: the MNR at the federal level, the Kamchatka NRC, relevant agencies of the federal government, the KOA, the KNPD, other agencies of the Kamchatka Oblast Administration, research bodies, indigenous peoples' organizations, and NGOs. This allocation of responsibilities proceeds from the distribution of relevant legally mandated responsibilities, as well as the distribution of essential resident expertise. The implementing agents will work collaboratively among themselves and with local populations to ensure effective and timely implementation of the project's activities at the project sites. These implementation arrangements will be critically reviewed during project evaluation and revised if found necessary to improve its effectiveness.

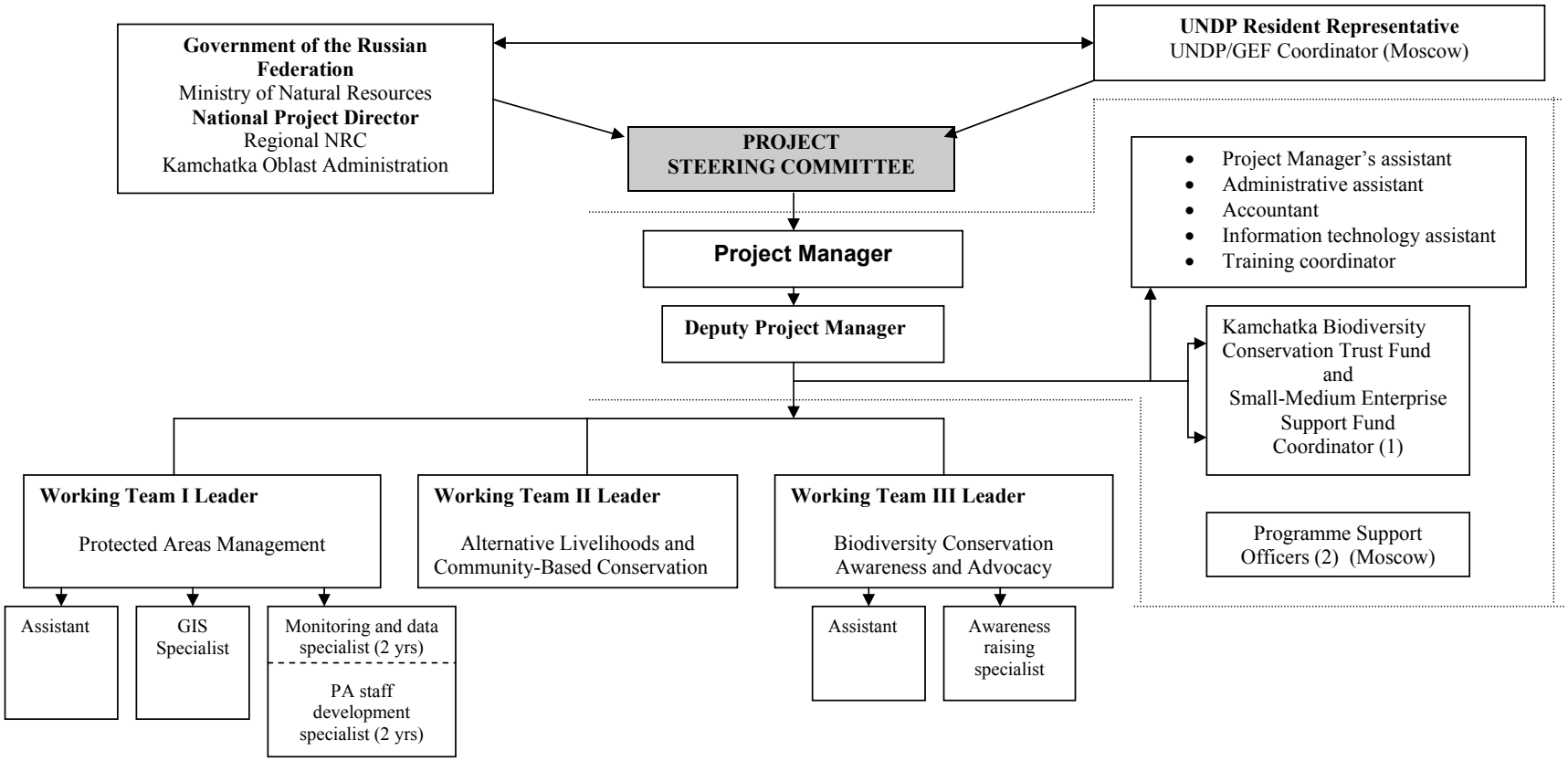
Implementation responsibilities

Activity Area	Implementing Agents
Protected area management	MNR (NRC), KOA, KNPD, local communities, research institutes, NGOs
Alternative livelihoods and community-based conservation	MNR (NRC), KOA, NGOs, local community organizations
Conservation awareness and advocacy	NGOs, KOA, research institutes, media
Sustainable financing mechanisms	MNR (NRC), KOA, NGOs, bilateral donors, private sector
Best practices and lessons learned	MNR (NRC), KOA, KNPD, NGOs

In order to accord proper acknowledgement to GEF for providing funding, all project documents will include a paragraph to explicitly require that the GEF logo appear on all relevant GEF project publications, and among other items, project hardware and vehicles purchased with GEF funds. Any citation of publications regarding projects funded by GEF should also accord proper acknowledgement to GEF. The UNDP logo should be more prominent – and separated a bit from the GEF logo if possible as, with non-UN logos, there can be security issues for staff.

In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF. The UNDP logo should be more prominent -- and separated from the GEF logo if possible, as UN visibility is important for security purposes.

Implementation Arrangements



Monitoring and Evaluation

This project has a comprehensive M&E program included in its overall design (Annex J). Project progress and impact will be monitored using annual reviews against implementation milestones and indicators presented in the logical framework (please see Annex A). Monitoring will be *ongoing*, involving data collection and assessment of the project's field implementation and will involve key project staff meeting semi-annually to review operations and field implementation and assessing whether new priorities require a shift in the project's implementation.

The project will undergo two formal and *independent* evaluations during Phase 2. The first evaluation will be conducted towards the mid point of the second phase (year 3). This evaluation will assess progress in achieving the expected results by that time, identify any difficulties in project implementation and their causes, and recommend corrective courses of action. The second evaluation will be conducted towards the completion of Phase 2 (year 4, q. 3). The focus of the last evaluation will be on the effectiveness of the overall project in attaining its objective and expected outcomes, and on extracting valuable lessons for future application. All evaluations will proceed on the basis of accepted rigorous criteria focusing both on the attainment of the specified project outputs, as well as the implementation of identified activities using indicators provided in Annex A. The evaluation criteria will be presented in detail in the project Monitoring & Evaluation Plan A more comprehensive set of baseline indicators is being developed and will be completed before the launch of the second phase as recommended by the first phase evaluation. The WB/WWF management effectiveness tracking tool will also be used throughout the second phase to track and assess improvements in the management and performance of individual PAs included in the project. In addition to these formal evaluations, annual reporting on progress in implementation will be instituted. The UNDP may also schedule additional evaluation at its discretion.

The project team will pilot a system of internal stakeholder evaluation with the participation of target group (self evaluation). This system is built upon best practices from other international project involving local communities and seems in particular appropriate for those components which deal with income generation for the local population.

The project will be subject to the standard UNDP/GEF monitoring requirements. Monitoring field visits will be carried out at least twice a year by the UNDP CO. The PM will prepare and submit quarterly narrative reports to the NPD and UNDP. The PM will also be required to produce an Annual Project Report and Project Implementation Review (combined APR/PIR). 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/PIR provides a basis for the Project Steering Committee meeting and Tripartite Review (TPR) - the highest policy-level meeting of the parties directly involved in the implementation of a project.

PART IV. LEGAL CONTEXT

The project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of the Russian Federation and UNDP, signed on 17 November 1993.

All activities stipulated in the Project Document shall be implemented accordingly. Should there be a need to make changes/modifications to any of the agreed activities, all signatories of the Project Document must concur, before such changes are made.

The following amendments may be made to the original Project Document, even if they are signed only by the UNDP Resident Representative, provided the latter assumes that all other signatories of the Project Document have no objections to the amendments:

- Revisions in, or additions to, any of the Annexes of the Project Document with the exception of the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a pre-condition for UNDP assistance.
- Revisions which do not result in a major changes in the project's immediate objectives or outputs, and which are attributable to a reordering of the activities or inputs in order to improve the realization of the objectives or the outputs.
- Necessary yearly revisions which are made to reorganize the provision of already scheduled inputs, to reflect an increase in the cost of expert services or other services due to inflation.

The government executing agent designated on the cover page to the project document has been duly delegated by the government coordinating authority to carry out this project and accordingly will follow the NEX accounting, financial reporting and auditing procedures set forth in the following documents as may be amended by UNDP from time to time.

- The Accounting and financial reporting procedures set out in the UNDP Programming Manual
- The UNDP Audit Requirements set out in the UNDP Programming Manual and, the UNDP Procedures for National Execution.

The above documents are an integral part of the project document although incorporated herein only by reference. They have already been provided to the government and said Government executing agent.

Auditors to the project will be identified through a competitive process subject to UNDP NEX rules. Such auditors, and/or other officially appointed auditors shall undertake periodic management and financial audits of the project in accordance with UNDP auditing procedures for nationally executed projects, pursuant to the Government's overall national execution responsibilities under the Project Document and as set out in the documents listed above.

In addition, all accounts maintained by the government for UNDP resources may be audited by the UNDP internal Auditors and/or the United Nations Board of Auditors or by public accountants designated by the United Nations Board of Auditors.

BUDGET

See Total Project Work Plan and Budget below.

TOTAL PROJECT WORKPLAN AND BUDGET

Award ID:

Project Title: PIMS 3346, BD, FP: Demonstrating sustainable conservation of biological diversity in four protected areas of Russian Kamchatka Oblast – 2d phase

GEF Outcome/Atlas Activity	Responsible Party	Source of Funds	Atlas Code	ERP/ATLAS Budget Description/Input	Amount (USD) Year 1	Amount (USD) Year 2	Amount (USD) Year 3	Amount (USD) Year 4	Amount (USD) Year 5	Total (USD)
OUTCOME 1: Protected areas are effectively managed	MNR	62000	72100	Ranger station construction	100,000	100,000	100,000	100,000	0	**400,000**
	MNR	62000	71200	Intl. Consultant: tourism infrastructure	15,000	0	0	0	0	**15,000**
	MNR	62000	71300	Short-term expert: tourism infrastructure	2,000	2,000	2,000	2,000	2,000	**10,000**
	MNR	62000	72100	Tourism infrastructure: construction	85,000	98,000	98,000	98,000	0	**379,000**
	MNR	62000	72100	Education/visitor centre construction	40,000	0	0	0	0	**40,000**
	MNR	62000	72200	Procurement: OPs	20,000	20,000	20,000	20,000	0	**80,000**
	MNR	62000	72200	Procurement: ranger service equipmt	80,000	55,000	50,000	45,000	0	**230,000**
	MNR	62000	72200	Procurement: Fire control equipment	10,000	10,000	0	0	0	**20,000**
	MNR	62000	72100	PA staffing	25,000	20,000	15,000	15,000	5,000	**80,000**
	MNR	62000	71300	Experts/consultants: WG1	25,000	25,000	25,000	25,000	20,000	**120,000**
	MNR	62000	74500	PA staff training	12,000	12,000	12,000	12,000	12,000	**60,000**
	MNR	62000	72100	Intl. Partnerships development	20,000	15,000	15,000	15,000	10,000	**75,000**
	MNR	62000	72100	Monitoring programme: design/implementation	30,000	15,000	15,000	15,000	0	**75,000**
	MNR	62000	72200	Monitoring equipment	0	20,000	20,000	0	0	**40,000**
	MNR	62000	72100	Biodiversity data compilation/input	15,000	15,000	10,000	10,000	0	**50,000**
	MNR	62000	71300	Biodiversity+socio-economic analysis/monitoring	20,000	20,000	20,000	20,000	0	**80,000**
	MNR	62000	71200	Intl. Advisor: GIS	20,000	0	0	0	0	**20,000**
	MNR	62000	72100	GIS procurement/set up/use	52,000	20,000	20,000	20,000	0	**112,000**
	MNR	62000	72100	Biodiversity data sharing mechanisms	10,000	10,000	10,000	10,000	0	**40,000**
	MNR	62000	71300	Biodiversity reports	2,000	2,000	2,000	2,000	2,000	**10,000**
	MNR	62000	72100	Clean up degraded sites	20,000	20,000	0	0	0	**40,000**
	MNR	62000	72100	PA MPs design	0	0	0	40,000	0	**40,000**
	MNR	62000	71300	Team Leader WG1	13,500	18,000	18,000	18,000	4,500	**72,000**
	MNR	62000	71300	Regulatory instruments	10,000	10,000	10,000	10,000	0	**40,000**
				sub-total	**626,500**	**507,000**	**462,000**	**477,000**	**55,500**	**2,128,000**

OUTCOME 2: Local communities benefit from sustainable alternative livelihoods and are actively involved in biodiversity conservation	MNR	62000	71200	Intl. Advisor: NTFP Mngmnt plans	16,000	0	0	0		**16,000**
	MNR	62000	71300	National consultnts: NTFP mmngmt plans	61,000	0	0	0		**61,000**
	MNR	62000	72100	NTFP collection	10,000	10,000	0	0		**20,000**
	MNR	62000	71300	NTFP marketing advisor	10,000	10,000	0	0		**20,000**
	MNR	62000	74500	SME training	10,000		0	0		**10,000**
	MNR	62000	72100	PA ethnotourism consultations	25,000	24,000	0	0		**49,000**
	MNR	62000	71300	Tourism marketing advisor/national	5,000	2,000	0	0		**7,000**
	MNR	62000	72100	Indigenous people: legal consultations	8,000	8,000	8,000	8,000	6,000	**38,000**
	MNR	62000	74500	Indigenous people workshops	2,000	1,500	1,500	1,500	1,500	**8,000**
	MNR	62000	71300	Co-management advisor	14,000	5,000	5,000	0		**24,000**
	MNR	62000	71300	Short-term expert: WG2	2,000	2,000	2,000	2,000	2,000	**10,000**
	MNR	62000	71300	TEK National advisor	0	14,000	9,000	0	0	**23,000**
	MNR	62000	71300	Team Leader WG2	13,500	18,000	18,000	18,000	4,500	**72,000**
	MNR	62000	74500	Co-management workshops	8,000	8,000	8,000	6,000	4,000	**34,000**
				sub-total	**184,500**	**102,500**	**51,500**	**35,500**	**18,000**	**392,000**
OUTCOME 3: Biodiversity awareness and advocacy is heightened among all stakeholders	MNR	62000	72100	Educational progrms: design/implementation	12,000	12,000	12,000	12,000	0	**48,000**
		62000	72100	Biodiversity materials development/publication	20,000	25,000	25,000	25,000	15,400	**110,400**
		62000	71300	NGO Expert	9,600	9,600	9,600	9,600	4,800	**43,200**
	MNR	62000	71300	Educational expert	9,600	9,600	9,600	9,600	4,800	**43,200**
	MNR	62000	74200	Awareness materials for media	8,000	8,000	8,000	8,000	8,000	**40,000**
	MNR	62000	74500	Stakeholder consultations	4,000	4,000	4,000	4,000	4,000	**20,000**
	MNR	62000	71300	Team Leader WG3	13,500	18,000	18,000	18,000	4,500	**72,000**
	MNR	62000	72100	Awareness programme implementation	13,800	11,400	10,000	10,000	10,000	**55,200**
	MNR	62000	72200	Procurement	15,000	15,000	15,000	15,000	0	**60,000**
				sub-total	**105,500**	**112,600**	**111,200**	**111,200**	**51,500**	**492,000**
OUTCOME 4: Sustainable financing mechanisms support conservation and promote biodiversity-friendly alternative livelihoods in and around the PA system	MNR	62000	71200	KCTF Advisor	10,000	0	0	0	0	**10,000**
	MNR	62000	72100	KCTF Capitalization	600,000	600,000	0	0	0	**1,200,000**
	MNR	62000	71600	Travel	18,000	9,000	9,000	9,000	4,000	**49,000**
	MNR	62000	74500	KCTF Board meetings	5,000	5,000	3,000	3,000	3,000	**19,000**
	MNR	62000	72100	KCTF Premises	0	5,000	0	0	0	**5,000**
	MNR	62000	71300	KCTF national experts	0	8,000	8,000	8,000	2,000	**26,000**
	MNR	62000	71300	KCTF training	0	3,000	0	0	0	**3,000**
	MNR	62000	71300	KCTF operations	0	57,000	66,000	65,000	0	**188,000**
				sub-total	**633,000**	**687,000**	**86,000**	**85,000**	**9,000**	**1,500,000**

OUTCOME 5: PA systems and other stakeholders apply and utilize lessons learned and best practices generated by the project	MNR	62000	74500	Lessons learned roundtables/workshops	9,000	9,000	9,000	9,000	4,000	**40,000**
	MNR	62000	74500	Project materials/dissemination	9,000	9,000	9,000	9,000	5,000	**41,000**
	MNR	62000	71300	National consultants	2,000	2,000	2,000	2,000	1,000	**9,000**
				sub-total	**20,000**	**20,000**	**20,000**	**20,000**	**10,000**	**90,000**
OUTCOME 6: Project Management, Monitoring & Evaluation	MNR	62000	71400	Adm personnel PPK	36,000	48,000	48,000	48,000	12,000	**192,000**
	MNR	62000	71400	Adm personnel Moscow	9,000	12,000	12,000	12,000	3,000	**48,000**
	MNR	62000	71600	Missions and travel	15,000	20,000	20,000	20,000	5,000	**80,000**
	MNR	62000	71300	Programme officer - Moscw	9,000	12,000	12,000	12,000	3,000	**48,000**
	MNR	62000	71300	Project Manager	27,000	36,000	36,000	36,000	9,000	**144,000**
	MNR	62000	71300	Deputy project manager	18,000	24,000	24,000	24,000	6,000	**96,000**
	MNR	62000	74500	Insurance	2,000	2,000	2,000	2,000	0	**8,000**
	MNR	62000	72200	Non-expendable equipment PPK	3,000	4,000	4,000	4,000	1,000	**16,000**
	MNR	62000	74500	Operations and maintenance	18,000	18,000	18,000	18,000		**72,000**
	MNR	62000	72200	Expendable equipment/maintenance	3,000	4,000	4,000	4,000	1,000	**16,000**
	MNR	62000	73400	Vehicle maintenance	2,500	4,000	4,000	4,000	1,500	**16,000**
	MNR	62000	73100	Rent of premises PPK	15,000	15,000	15,000	15,000	0	**60,000**
	MNR	62000	74500	Misc/communications PPK	4,000	6,000	6,000	6,000	2,000	**24,000**
	MNR	62000	74500	Misc/communications Moscow	1,500	2,000	2,000	2,000	500	**8,000**
	MNR	62000	74100	Monitoring Evaluation and Audit	15,000	15,000	15,000	15,000	10,000	**70,000**
				sub-total	**178,000**	**222,000**	**222,000**	**222,000**	**54,000**	**898,000**
				TOTAL	**1,747,500**	**1,651,100**	**952,700**	**950,700**	**198,000**	**5,500,000**

SIGNATURE PAGE

Country: Russian Federation

Expected Outcome(s)/Indicator (s): Goal 3: Energy and Environment for Sustainable Development; Service Line 3.5: Conservation and Sustainable Use of Biodiversity; Outcome 3: Improved environmental sustainability of development processes / Linkages between environmental conservation and local development established
(CP outcomes linked to the SRF/MYFF goal and service line)

Expected Output(s)/Indicator(s): Local development projects integrating environmental components; Awareness-raising and capacity-building in environmental issues; Workshops promoting public-private partnership in the environmental sphere
(CP outputs linked to the SRF/MYFF goal and service line)

Implementing partner:	Ministry of Natural Resources of the Russian Federation
(designated institution/Executing agency)	
Other partners:	Administration of the Kamchatka Oblast

Programme Period: 2004-2007	
Programme Component: Environmental Governance	
Project Title:	Demonstrating sustainable conservation of biological diversity in four protected areas of Russian Kamchatka Oblast - 2d Phase
Project ID:	Kamchatka Protected Areas – 2d Phase
PIMS	3346
Project Duration: 2005-2009	
Management Arrangement: National Execution	

Total budget GEF:	US$ 5,500,000
Co-funding resources:	
• Government (in-kind)	US$ 4,130,000
• Bilateral (Canada)	US$ 1,875,000
• NGOs	US$ 920,000
• Others	US$ 3,000,000
Sub-total Co-financing	US$ 9,925,000

Agreed by (Ministry of Natural Resources): _____
_____

Agreed by (UNDP): _____
_____

ANNEX A: GEF PROJECT BRIEF

1. COUNTRY OWNERSHIP

1.a Country Eligibility

Having ratified the Convention on Biological Diversity in 1995, the Russian Federation meets the eligibility criteria of the GEF instrument under paragraph 9(b). The country also qualifies to be a recipient of UNDP technical assistance.

1.b Country Drivenness

The Government of the Russian Federation is committed to the conservation of biological diversity and the pursuit of a policy of sustainable development. In spite of the difficult economic conditions that the country has faced recently, significant efforts are nevertheless being made by Government to protect endangered habitats and species. Russia has managed to expand its system of protected areas and today maintains 100 state nature reserves or zapovedniks (IUCN Category I), more that 30 national parks, and approximately 1,500 special nature reserves covering 58 million ha. The Russian Federation is a signatory to, among other international conventions, the Convention on Biological Diversity, the Convention on International Trade in Endangered Species (CITES), and the World Heritage Convention. Since 1995, five natural areas have been designated as World Heritage Sites (WHS) under the World Heritage Convention, including the "Volcanoes of Kamchatka" WHS.

The country has prepared its National Biodiversity Strategy and Action Plan (2001), which lays out a programme for addressing biodiversity conservation and the sustainable and equitable use of biodiversity. The establishment and effective management of protected areas as instruments of *in situ* biodiversity conservation are central features of the NBSAP. In 2002, the Government of Russia promulgated the *Ecological Doctrine of the Russian Federation.* The Doctrine presents an integrating framework for maintaining a healthy environment and providing for sustainable development in the country. It is based upon the *Constitution of the Russian Federation*, federal legislation and regulations, and international conventions and agreements to which Russia is a party. It sets forth the government's strategic goals, which include the conservation of natural ecosystems for their life supporting functions and contribution to sustainable development. The conservation and restoration of ecosystems and associated biodiversity, and sustainable use of resources are central to the Doctrine. Much national level and regional level legislation has also been passed over the past 10 years to provide for the strengthening of protected areas and their contribution to biodiversity conservation.

At the regional level, the Kamchatka Oblast Administration is also committed to the conservation of habitats and species. At present, approximately 28 % of Kamchatka is designated under some form of PA category and the intent is to increase this number to 31% using regional level protected area designations. In addition, as a direct consequence of this project's first stage, the Ecological Charter of Kamchatka has been prepared and signed by all levels of government in Kamchatka. The Charter represents a social contract on the part of all signatories to support and promote biodiversity conservation in Kamchatka. It presents biodiversity conservation objectives, lists principles, specifies obligations, and describes mechanisms to be used in conserving biodiversity. Particular attention is given to protected areas.

1.c Endorsement

The project has been endorsed by the GEF Operational Focal Point in a letter dated 1 September 2004

2. PROGRAM AND POLICY CONFORMITY

2.a Program Designation and Conformity

This project fits under Operational Programme 4 - Mountain Ecosystems. Specifically, it satisfies GEF criteria by: being country driven; securing global biodiversity benefits; involving multiple stakeholders in its implementation; securing co-financing to achieve the sustainable development baseline; and, incorporating measures for ensuring long-term institutional and financial sustainability. The project also meets CBD objectives by fulfilling the requirements contained in the Convention's Articles 6 (General Measures for Conservation and Sustainable Use), 7 (Identification and Monitoring), 8 (In-situ Conservation), 10 (Sustainable Use of Components of Biological Diversity), 11 (Incentive Measures), 12 (Research and Training), 13 (Education and Awareness) and 17 (Exchange of Information).

The project has been designed in line with Biodiversity Strategic Priority 1 "Catalysing Sustainability of Protected Areas". The project's overall goal is to conserve the globally significant biodiversity of Kamchatka by strengthening the effectiveness of the PA system. The project will provide for the sustainable conservation of biodiversity of four protected areas that can be viewed as a regional sub-system in a globally recognized area of high biological importance. The project is working in the four PAs to pilot and demonstrate approaches to sustainable and effective biodiversity conservation for subsequent dissemination of the best practices and lessons learned to other PAs within Kamchatka, as well as nationally. The project will strengthen institutional capacities, including the legislative and regulatory environment, and the managerial and financial sustainability of protected areas, as well as the coordination among them, and will build stakeholder capacities to improve all aspects of their management. These interventions will support the strengthening and sustainability of the PA system as a whole. As the project's protected areas contain a representative selection of the threats and opportunities found in other protected areas of Kamchatka, and the Russian Federation overall, lessons learned and best practices from the project will be disseminated to strengthen other PAs to ensure their sustainability.

2.b Project Design

2.b.1 Lessons drawn from Phase I of the project and justification for Phase II

The proposed project is the second and last Phase of the initial 7-year GEF intervention designed and approved in 2001 Due to the financial constraints faced by the Global Environment Facility at the time, however, the funding and thus implementation of this project had to be split into 3 Phases of two, three, and two years duration, with financing from GEF advanced only for Phase 1. The second and third Phases have now been combined into one, with a total timeline of 4 years. Thus, this Brief is submitted as a continuation of conservation activities already started in Kamchatka in order to cover the final four years of the project, 2005 - 2008. The remainder of the project (Phase II) has been further refined from what was originally envisaged on the basis of lessons learned during Phase I, together with the results and recommendations stemming from an in-depth evaluation of Phase I conducted by an independent expert team. An Executive Summary of the evaluation report is provided as Annex L of this Project Document.

Overview of the outputs of the 1st project Phase and lessons outlined by the evaluation

Overall, the assessment of the first Phase of the project was quite positive resulting in a rating of "good to impressive". The evaluators noted exceptionally good stakeholder participation and public involvement, significant capacity building, a high level of project output replicability, and strong opportunities for both global and national benefits. The evaluators praised the project strategy and recommended the

continuation of GEF financing for the next four years in order to achieve sustainability of project results. The overall findings of this Evaluation are that this Project has already made significant achievements in: a) improving overall capacity for the conservation and management of important global biodiversity; b) strengthening administrative and management capacities within the four selected protected areas; c) increasing stakeholder biodiversity conservation awareness, commitment and participation in PA management; and d) promoting sustainable alternative livelihoods for members of local communities with the aim of reducing pressures on biodiversity and thereby enabling its conservation. Project Management has shown itself to be very capable of rising to challenges and has demonstrated solid motivation and determination that bodes well for further efforts in achieving the project's objectives. The following benchmarks were achieved by the project by the time of the evaluation (April 2004) and will contribute towards the baseline for Phase II:

1. Strengthening of the Protected Areas System has been realised through the development of the first ever management and operational plans, the creation and/or strengthening of field offices, the establishment of guard posts and ranger patrol stations, and through increased staffing levels. Efforts are under way to finalise the assessment of tourism development feasibility, and much has been done to address pollution issues within the Parks. Staffing levels are still somewhat inadequate and both the Project and UNDP are working hard to resolve this issues at both the regional and federal level.
2. Biodiversity Information and Management has been significantly improved through the capture and compilation of historic and current data sets and information, and the development of a standardised database format. Key data gaps are currently being defined with a view to providing guidance for future research requirements to support policy decisions.
3. The development of Sustainable Financing Mechanisms has proved to be one of the more significant challenges to this Project. So far there has been no capitalisation of such mechanisms as yet. The Project is realigning its focus in this area toward private sector interests and will be looking at new, innovative approaches to such financing measures. On the positive side, the project has developed strong partnerships to support the sustainability of its Objectives.
4. Good foundations have been set in place with respect to Strengthening the Legal, Regulatory and Policy Base. The various policies, legislation and regulations pertinent to biodiversity conservation and PAs have been identified and comprehensively reviewed. Some recommendations have been proposed at the regional level. The Project now needs to consolidate this effort to ensure that a clearly defined and formal list of amendments and reforms to policy and legislation (as required to meet the Project Objectives) is finalised in time to provide a road-map for the next Phase of the Project, which will be placing its emphasis on actual reform implementation.
5. The Project has undoubtedly delivered Heightened Biodiversity Awareness and Advocacy. Media, schools and communities now understand the relationships between the Parks, biodiversity and resource conservation, and the sustainability of their quality of life (and their general livelihoods). The communities have noted real actions to support their role in the Parks rather than just words. Awareness programmes are active but 'branding' could be improved to strengthen the linkages between activities related to community improvements and the objectives of the Project.
6. Improvements in the development of Alternative Livelihoods and Community-Based Conservation have been highly impressive and very successful. The small and medium sized funding and micro-credit loans have made a significant difference within the communities and, for the most part, the community sees these improvements as being closely associated with the Project. There is still a need to engage the communities more directly in the management process for the Parks, even if this is initially only at the more fundamental level of park maintenance and overseeing tourism.

The evaluators noted that the project has set an excellent foundation, both at the regional and federal levels, for the development of effective protected areas management, and that this foundation is more than sufficient for GEF to build a further Phase of support and assistance with which to consolidate its efforts and investment to date. In the context of securing global benefits, it is fair to say that the project is on

track to meet its objectives, although the evaluators mentioned the need to pay careful attention to sustainability issues during the second Phase of the project.

The Phase I evaluation recommended that Phase I be extended to the end of 2004 to complete a number of critical outstanding activities, and that the project's second Phase be refined and submitted for approval and granted sufficient funding to effectively meet project objectives. The evaluation also recommended that Phase II provide a model demonstration for the Russian Federation of how regional and federal protected areas systems can be properly managed and sustained under newly re-structured government responsibilities and policies.

In line with recommendations of the Phase I evaluation, the following emphases/amendments were made to the design of the now combined Phase II, which differ from the original project document:

- Phases II and III of the original proposal were merged into a single Phase (Phase II) for a combined total duration of 4 years
- Financing of the now combined Phase II was increased to US$ 5.5 million to comply with a more realistic assessment of the project alternative ($7+ million level in total, as originally identified) as required to meet Project Objectives.
- Threats and Root Causes were reviewed to capture new concerns and to re-prioritise older issues.
- Increased attention was given to the design of Sustainable Financing Mechanisms.
- The Trust Fund concept was revised to ensure a more flexible and inclusive structure.
- Creation of an integrated long-term monitoring programme to follow biodiversity status, pollution and other threats both within and outside the PA system was incorporated as a part of PA monitoring.
- Further capacity building and staffing needs continue to be addressed. A Training Centre for PA Management in Kamchatka will be established based on recommendations provided by a feasibility study conducted during Phase I. The training centre will build upon partnerships with national and international (USA, Canada) training and PA management institutions mobilized during Phase I.
- Alternative livelihood and indigenous people issues will remain a strong project focus. Lessons learned from the successes of the SME and micro-credit experience in Bystrinsky Park during Phase I will be transferred to other communities.
- A strong focus in Phase II will be on the dissemination and replication of activities at the regional and local levels. In view of this, a specific output on dissemination has been included in the current proposal.

A description of project design and justification is presented below.

2.b.2 Biodiversity of Kamchatka

The 1,500 km. long and 472,000 km^2 Kamchatka Peninsula is situated between the Okhotsk Sea on the west and the Bering Sea on the east. Due to its previous isolation on account of its strategic military significance, low population density, few roads, small and dispersed settlements, and little large-scale development, much of the peninsula still possesses globally important biodiversity.

The significance of Kamchatka's biological diversity is measured not so much by species richness, as it is by the presence of numerous rare and unique species, species assemblages and ecosystem processes, including volcanic and geothermal ones. Also, a great number of endemic species and sub-species of plants and animals inhabit the peninsula. For example, 10% of Kamchatka's 1,168 plants are endemic. As a result of its island-like environment, there is also an ongoing process of diversification among the peninsula's endemic species and sub-species.

Approximately 15,000 Kamchatkan brown bear *(Ursus arctos),* the second largest sub-species in the world, are found in pockets throughout the peninsula. The peninsula is also the centre of distribution for the largest eagle in the world, the rare Steller's sea eagle (*Haliaeetus pelagicus*). Sixty percent of these eagles, or some 4,500 individuals, inhabit the peninsula. Approximately 1,800 endangered northern sea lions (*Eumetopias jubatus*) live along its coast, as does the only population of sea otters in the Western Pacific. Walrus and the five species of seal found in the North Pacific, along with numerous seabird colonies, can also be found in abundance along the peninsula's coastline and on surrounding islands. Fifty percent of the global population of Aleutian tern nests on the peninsula. The diversity described above is supported in large part by the richness of ichthyofauna in the peninsula's streams and coastal waters. The peninsula possesses some of the world's greatest diversity of salmon, trout, and char. All species of Pacific salmon, representing one third of the entire Pacific population, spawn in Kamchatkan rivers. Nevertheless, according to preliminary data of the former KSCEP[2], 59 faunal species on the peninsula are threatened or endangered, and are listed in the Russian Federation's Red Book.

Like other parts of the Russian Federation, Kamchatka has not been spared the economic downturn and associated social hardships experienced in the country during the past dozen years. The dramatic reduction in federal budgetary support, in conjunction with the new economic conditions, have forced the Kamchatka Oblast Administration to become more self-reliant in meeting its budgetary requirements. Invariably, this translates to greater pressure being applied upon the region's still largely untapped natural resources. The economic crisis has been exacerbated by high energy and transportation costs. This has resulted in marked declines in industrial production, decreases in real wages, and increases in prices. The peninsula's population has also been decreasing as people move to the mainland in search of employment. The official unemployment rate is approximately 15% of the active labour force, although some unofficial estimates place the figure near 50%. Of note, and on the basis of official figures, is that depending on the settlement, from 36% - 51% of the population's income falls below what is considered to be the subsistence level. Approximately 85% of Kamchatka's 386,000 residents reside in the Petropavlovsk-Yelizovo urban district. The rest live in small settlements and villages throughout the peninsula. Two of the four project sites are located either near to or include communities. The other two sites are accessible only by helicopter, all-terrain vehicles, snowmobiles or boat.

2.b.3 Description of the Project Areas

The Kamchatka Oblast's network of protected areas currently consists of: 2 Strict Nature Reserves (federal zapovedniks), 17 special purpose reserves or refuges (zakazniks) of either federal or Oblast significance, 4 Nature Parks (Oblast level), 1 Nature Park (local level), and 83 Nature Monuments and other sites designated for their unique features. These PAs, selected on the basis of various ecological characteristics, biodiversity values, and their uniqueness, comprise 27.4% of Kamchatka's territory. It is the intent of the Kamchatka Oblast Administration to ultimately designate approximately 31% of the peninsula under various protected area designations. One important implication of this is that since the system of PAs is nearly complete, the long-term conservation of Kamchatka's biodiversity is predicated upon the effectiveness of the *existing* PAs in conserving their biodiversity.

Four protected areas have been chosen for inclusion in the project (please see map in Annex C):

- Kronotsky State Biosphere Reserve (Zapovednik);
- South Kamchatka State Sanctuary (Zakaznik);

- Nalychevo Nature Park; and
- Bystrinsky Nature Park

These PAs were chosen on the basis of the following considerations:

- Each one of the areas harbours different, representative, globally significant biomes, species assemblages, and ecosystems of the Kamchatka peninsula: 1) tundra (arctic and alpine) 2) boreal coniferous forests 3) temperate deciduous forests 4) freshwater lake ecosystems 5) freshwater wetlands, and 6) marine inshore waters.
- To maximize the demonstration value and replicability of the project's results, the incorporation of different institutional and social contexts, as well as management issues and regimes, was a priority consideration. These four areas represent the following management designations: 1) federal zapovednik (Kronotsky) -- strict protected area, IUCN category I, priorities: strict conservation, research and education; 2) federal zakaznik (South Kamchatka State Sanctuary)-- wildlife reserve, IUCN category IV, priorities: wildlife conservation and production of wildlife for sustainable hunting on adjacent lands; 3) state nature park (Nalychevo)-- priorities: conservation, recreation, tourism and environmental education; and 4) state nature park/traditional resource use area (Bystrinsky) -- priorities: conservation, support of indigenous peoples' traditional lifestyles and sustainable resource use, and tourism.
- All four of these areas were also simultaneously listed by UNESCO under the "Volcanoes of Kamchatka World Natural Heritage Site" designation in December 1996.

Kronotsky State Biosphere Reserve: Originally established in 1934, but with its boundaries re-defined in 1966, 1982 and 1992, the Kronotsky State Biosphere Reserve presently covers an area of approximately 1,142,000 ha. (11,420 km2), including 135,000 ha (1,350 km2) of abutting marine habitat along the eastern-central coast of Kamchatka. Kronotsky was designated a Biosphere Reserve under UNESCO's Man and the Biosphere Programme in 1984 in recognition of its rich biological and volcanic heritage. The reserve is famous for its 12 active volcanoes and the "Valley of the Geysers". The reserve was established to ensure the protection and ongoing scientific study of Eastern Kamchatka's natural processes and phenomena, unique ecosystems, and plant and animal communities. Until the latest government reorganization, the reserve was formerly administered by the federal State Committee for Environmental Protection whose functions have now been absorbed by the Ministry of Natural Resources. At the Oblast level, therefore, it is administered by the Kamchatka Natural Resources Committee.

Home to over 2,000 species of plants and animals, the reserve is of particular importance for the conservation of boreal deciduous forest, arctic tundra, and Bering Sea marine communities. Approximately 749 vascular plant species have been recorded in the zapovednik. The reserve's active volcanic features support a myriad of microclimates that give rise to a diversity of rare and unique species. Thermophyllic communities formed on soils in the vicinity of mineral springs are unique for each group of springs. Six of the reserve's plant species are listed as threatened in the Red Book of Russia: Poa radula, Carex viridula, Fimbristylis ochotensis, Cypripedium macranthon, Isoetes asiatica and Rhodiola rosea. Six species of mammals from the IUCN Red Book occur within the reserve. The Kronotsky reserve also has some of the peninsula's finest examples of the stone birch (Betula ermani)/grassland community complexes and it harbours a unique stand of Picea gracilis, one of the rarest trees in all of Russia. It also provides prime habitat for brown bears. Approximately 900 bears are thought to occur in the reserve. Kronotsky Lake, one of the peninsula's largest lakes, harbours an endemic species of freshwater kokanee salmon (Oncorhynchus nerca Walbaum). The uniqueness of the lake's ichthyofauna is widely recognized.

[2] The KSCEP, like all former regional level State Committees for Environmental Protection, was abolished by Presidential Decree on May 17, 2000 and its functions were amalgamated within the Ministry of Natural Resources. The Natural Resources Committee is now the Oblast level MNR body.

One of the world's most significant breeding populations of the endangered Steller sea lion (Eumetopias jubatus), as well as some of the largest seabird rookeries on the peninsula, are found in the reserve's coastal zone and offshore waters. In addition, walrus and seal occur here in significant numbers, as do significant nesting populations of Steller's sea eagle.

Until recently, Kronotsky, like all zapovedniks in Russia, was off-limits to the general public with its use being strictly limited to scientific research. Considering current economic difficulties, it is not surprising that people have become less inclined to respect and obey the laws protecting these reserves and more inclined to view them as storehouses of valuable natural resources. As a result, poaching of wildlife is becoming a problem in Kronotsky, even though there are no communities in the immediate vicinity of the reserve. Economic conditions have also increased pressure on the zapovedniks to open up more to non-exploitative commercial economic activity. Recreation, tourism and any other kind of revenue generating activity in zapovediks were prohibited, and remain so officially. The drastic shortage of financing, however, has recently forced a re-assessment of this position and zapovedniks, like other PAs in Russia, have been placed in the position of having to generate revenue. As a result, tourist visitation is increasing, with upwards of 4,500 people visiting the Valley of the Geysers this year. Since visitation is by helicopter, and only for day trips, it is essentially conducted under controlled conditions. Cruise ship operators may occasionally let people off along the reserve's coastline but when this does occur, which is rare, that is also under permit and supervision of reserve and Sevvostrybvod fishery inspectors.

South Kamchatka State Sanctuary: Established in 1983, the 225,000 ha. (2,250 km^2) sanctuary includes one of the more significant lake ecosystems on the entire peninsula, and is of particular importance for the conservation of its prime coastal marine habitat. The sanctuary rises from the shores at the tip of the peninsula to the tops of four active volcanoes. Its vegetation can be characterized as being shrub forest and mountainous in character. The flora of southern Kamchatka is diverse with 718 recorded species, 85 of which are considered rare. The sanctuary's diversity is particularly notable due to the presence of both Kamchatkan and Kurile Island species. The reserve's near-shore marine habitat supports the most significant population of sea otters *(Enhydra lutris)* in the Western Pacific, numbering approximately 900 individuals but increasing up to 3,000 animals during summer migration, and over 1,000 Steller sea lions. Kurilsky Lake is the most significant sockeye salmon (*Oncorhynchus nerka*) spawning lake on the peninsula. It is estimated that up to 1.7 million fish use the lake and its tributaries for spawning. The tremendous influx of salmon into the lake and its small tributary rivers makes the lake and its watershed one of the Russian Far East's most important feeding grounds for the brown bear. The high concentration of *O. nerka* in Kurilsky Lake also results in one of the world's most numerous winter concentrations of raptors. Some winters, their number reaches 2,500 individuals. Being situated at the southern tip of the peninsula, the sanctuary is also an important resting area for migratory birds on the eastern Pacific flyway. The SKSS is now also administered by the Ministry of Natural Resources and is managed out of the KSBR office.

There are three coastal fishing villages with a total population of approximately 2,000 people on the south-western edge of the SKSS. Historically, the villagers engaged in commercial fishing, along with a limited amount of sport hunting, sport fishing and gathering of mushrooms and berries in the sanctuary. Pressures from these activities have increased as state-supported commercial fishing operations have faltered, and people have had to find new economic alternatives. Remaining fishing provides raw fish for Japanese markets. Today, nearly 25% of the
population is unemployed. More recently, weakened management has been unable to stop the growing problem of bear poaching along coastal and lakeside areas of the sanctuary. Poaching is largely driven by the demands of Asian medicinal markets. It is estimated that upwards of 20-30 bears are poached annually in the reserve. Salmon poaching, from the main outlet of Kuril Lake downstream to the coast, is also a problem of tremendous proportions, with tens of thousands of fish being poached annually for their caviar. Approximately 200 people visit the reserve annually, arriving by helicopter primarily for day

visits. Visitation of both KSBR and SKSS by tourists is provided for by a tourism service operator under agreement with the PAs' administration. In addition, the PAs' administration receives limited (50 hours) free helicopter time for PA management needs such as staff transport, delivery of materials and provisions, and personnel evacuation in the case of emergencies. Limited infrastructure for tourists has also been constructed in the two federal reserves by the tourism operator. The KSBR may also collect approximately $10/person from cruise ship operators if people disembark along the reserve's coast. Only 100 people may do so annually. Likewise, the reserve's administration has charged $150/day for filming by foreign companies in the reserve. In short, while the federal reserves have been attempting to diversify their sources of supplemental income, and have been partly successful in doing so, the actual amounts generated are minimal when compared to the requirements to maintain effective levels of management.

Established in 1995, the 287,155 ha. (2,872 km^2) Oblast administered Nalychevo Nature Park is particularly important for the conservation of freshwater wetlands, temperate deciduous forest, and recent volcanic landscapes, in conjunction with the glacial remnants and specific micro-climatic conditions of the Nalychevo River valley. These conditions have created a unique environment for plant and animal life. Some 549 species of vascular plants have been recorded in Nalychevo to date. Of special interest are the plant communities formed on the hydrothermally altered soil near the mineral springs, the composition of which is unique to each spring. The algal-bacterial communities of the thermal water reservoirs are thought to have site-specific adaptations and are of great scientific interest on a global scale. Stone birch forests near hot springs also exhibit an unusually high concentration of rare orchids (*Cypripedium macranthon, Epipactus papillosa, Neottia asiatica*). Furthermore, the park's Nalychevo River valley contains stands of *Betula homalophylla* and *Maianthemum bifolium*.

The park's fauna is represented by 33 species of mammals, including brown bear and snow sheep (*Ovis nivicola nivicola)*. One hundred and forty-five bird species have been recorded, eight of which are nationally threatened (*Philacte canagica, Branta bernicla*, *Pandion haliaetus, Haliaeetus albicilla, H. pelagicus, Falco gyrfalco, F. peregrinus and Gallinago solitaria*). The Nalychevo River and its tributaries support great numbers of four salmonid species (*Oncorhynchus sp., Salvelinus alpinus, S. mala and Salmo)*. The park is administered by the Kamchatka Nature Parks Directorate.

Nalychevo Nature Park's southern boundary is situated within 10 km. of Kamchatka's largest concentration of population in the Petropavlovsk-Kamchatskyi/Yelizovo corridor. There are no communities within the park. One road leads up to near its boundary and people hike into the park from there. Approximately 1,200 people visit the central interior part of the park annually, while up to 15,000 visitors use the park's peripheral areas. Licensed sport hunting, fishing and the gathering of berries and mushrooms are permitted in the park. Poaching of bear, wild reindeer, snow sheep and salmon, however, has been occurring in the park, not so much for meeting subsistence needs as for commercial gain and sport. It is thought that between 15-20 of both bear and reindeer are poached annually, although statistics are difficult to come by for obvious reasons.

Located in the centre of the Kamchatka peninsula, the 1,325,000 ha. (13,250 km2) Bystrinsky Nature Park was also designated an Oblast park in 1995. Bystrinsky straddles the central mountain range of the peninsula and is of particular importance for the conservation of mountain ecosystems, their indicative species, and the headwaters of several significant salmonid rivers. Bystrinsky contains 16 plant species endemic to the Kamchatka peninsula. Coniferous forests grow on the eastern slopes of the central range in Bystrinsky with larch (L. cajanderi) and spruce (Pinus ajanensis) being predominant, while stone birch dominates on the western side of the range. Some 615 species of vascular plants have been recorded in the park. The park also harbours IUCN Red Book plant species.

The park has the highest population of snow sheep (Ovis nivicola) and domesticated reindeer (Rangifer tarandus) on the peninsula, and is also an important brown bear hibernation area. The black-capped

marmot is also found here. The park encompasses the upper reaches of important watersheds for many rivers that flow into the Sea of Okhotsk along the peninsula's west coast, as well as part of the Kamchatka River, which flows north and east into the Bering Sea. This park is also administered by the Kamchatka Nature Parks Directorate.

Bystrinsky Nature Park includes the communities of Esso and Anavgai within its borders. The population of the communities is approximately 2,870, with two-thirds of the people living in Esso. Approximately 1,000 of the people are aboriginal (Even, Koryak, Itelmen and Chukchi). Economic activity of local residents within and adjacent to the park is based on traditional land use practices such as hunting, fishing, the gathering of mushrooms and berries, and reindeer herding (5,000 animals) Official unemployment in the two communities is at 30%. Tourists to the park number approximately 6,000 per year, including 100-150 visitors from abroad. Most people primarily visit the community of Esso, while foreigners participate in hunting tours. Since the visitation of the two parks is essentially uncontrolled, and as there is no fee for visiting the parks, there is no appreciable retention of tourism revenue and visitation currently does not provide a significant source of income for the parks. Nevertheless, the Kamchatka Nature Parks Directorate managed to derive limited tourism revenue, essentially from foreign visitors.

2.b.4 Institutional Context

The legislative and regulatory base for nature conservation is based on federal laws and laws of the Russian Federation's subjects. The federal laws provide the basis for the development of federal regulations, and also regulatory documents of specific agencies charged with their implementation. They also provide for the development of regional level legislation, provided that it is consistent with the parent federal legislation.

The basic parent umbrella law is "*On Environmental Protection*" (1991). This law defined standards for environmental quality, made provisions for the protection of biota, provided a basis for federal protected areas and activities permitted in them, and among its many other provisions, also established the foundation for the subsequent development of other pieces of legislation, including the 1995 law "*On Specially Protected Natural Areas*". This legislation regulates the organization, protection and use of PAs. In addition to the already recognized forms of protected areas (e.g. federal zapovedniki and zakazniki), the law enabled the establishment of regional level nature parks and other types of protected areas. The law also stipulates that fines collected in federal protected areas are to be designated to the protected areas themselves. However, this legislation, in order to be more effective, requires some consolidated enabling legislation to link it to other environmental conservation measures and enable federal protected areas to be managed as part of the total landscape, rather than as separate pieces. Neither does the law help federal protected areas in the outlying regions of the Russian Federation seek assistance from local and regional authorities.

Oblast Legislation: Kamchatka Oblast's "Law on Specially Protected Areas of Kamchatka Oblast" regulates the establishment, organization, protection and utilization of specially protected natural areas. The law establishes the framework for the preservation of unique natural areas under four designations: 1) nature parks 2) wildlife refuges 3) natural monuments and 4) medicinal and healing areas. The law mandates the conservation and/or sustainable-use of the biological resources within these areas. The law also requires Nature Parks to "establish the conditions that allow for traditional resource use practices by indigenous peoples of Kamchatka Oblast for their incorporation in the natural, scientific, educational, and recreational goals of the park." The law, however, does not clarify how these protected areas are to be managed as part of the overall landscape, nor does it provide for cooperative agreements between regional and federal authorities for increased collaboration.

The Kamchatka Oblast Administration has been establishing Oblast level Nature Parks on the basis of this new category of protected areas. Since 1995, 5 Oblast level Nature Parks have been established. This project is working in two of these areas -- Bystrinsky Nature Park and Nalychevo Nature Park, both of which were established in 1995.

The Kronotsky State Biosphere Reserve and the South Kamchatsky State Sanctuary were until recently administered by the federal State Committee for Environmental Protection. With the transfer of the SCEP to the MNR, these two PAs are now under this Ministry's jurisdiction. The two PAs are administered jointly, with the director of the KSBP being responsible for both sites. Budgetary allocations, previously provided by the SCEP, are now provided by the MNR. The main office for the reserve is located outside of Petropavlovsk in the community of Yelizovo.

The Kamchatka SCEP was the Oblast level representative body of the federal SCEP whose responsibilities included the coordination of federal and regional agencies with environmental protection and management responsibilities in Kamchatka. This mandate has now been transferred to the MNR and thus to the Kamchatka NRC.

The Kamchatka Nature Parks Directorate manages the Parks at the regional level. The two federal protected areas are administered separately from the two Nature Parks, and there is a lack of coordination and collaboration between the federal and regional PAs at all activity levels, from programming, to environmental education and conservation monitoring.

Other agencies are also involved in PA management on account of their mandated responsibilities. Sevvostrybvod is a federal agency responsible for the protection and management of fisheries resources and the administration of fisheries regulations. KamchatNIRO is a fisheries research institute that provides stock assessments for commercially valuable species, and is also responsible for research on marine mammals. The Hunting Management Agency is responsible for wildlife management. Numerous research institutes are also directly involved, including the Kamchatka Institute of Ecology and Natural Resource Use. The federal Forest Service is responsible for the protection of forest lands. The Forest Service was also transferred to the MNR on May 17, 2000.

Non-governmental Organizations: A growing number of Kamchatkan NGOs and community-based organizations are participating in conservation related initiatives on Kamchatka and in the project sites. Environmental NGOs are relatively new to Kamchatka, having first started their work in the mid-1980s. The number of NGOs has increased dramatically in recent years, representing a variety of groups located in different regions. Currently, there are over 15 Kamchatkan NGOs concerned with protected area or biodiversity conservation issues.

The WWF has provided small grants to support limited infrastructure development and communication equipment requirements in Nalychevo and Bystrinsky Natural Parks, as well as work at the community level in the latter. Other international NGOs, funds and organizations such as the Wild Salmon Centre, the Eurasia Fund, the Wildlife Conservation Society, the Pacific Environment Resources Centre, Friends of the Earth—Japan, Sacred Earth Network, Rockefeller Brothers Fund and IUCN, have also supported or are presently supporting some of the work of Kamchatkan NGOs.

2.b.5 Threats to Biodiversity

The principal immediate threats to the protected areas' biodiversity are summarized below.

Poaching and harvesting of natural resources beyond sustainable levels: The principal drivers of poaching include commercial gain, the meeting of subsistence needs, sport, and common hooliganism. Groups of poachers are known to hunt trophy mammals from chartered helicopters using the best equipment available. It should be noted that this "high end" poaching, be it for sport or for commercial gain, is generally engaged in by the rich, including both nationals and foreigners, while local populations primarily engage in poaching of salmon and caviar for subsistence and some commercial gain. Subsistence hunting is increasing as a matter of necessity where jobs are few and salaries are frequently unpaid due to prevalent economic conditions. Hunting of bear, mountain sheep, reindeer and marine mammals occurs in the protected areas, where often the greatest concentration of desirable species is to be found. The lucrative traditional medicines market entices poachers into protected areas in search of animals and their valuable organs, such as bear gall bladders. Highly organized poaching of salmonids for their caviar is likely the most pressing and significant problem. In certain quarters, this is considered to be the most significant threat to Kamchatka's biodiversity, within and outside of protected areas. The shortage of constantly updated and, therefore, reliable data on natural resources due to the absence of comprehensive monitoring programmes in the PAs, likely also contributes to the over-exploitation of resources that may be legally taken. In this regard, the informational basis of the permitting system needs critical evaluation. This applies equally to fisheries, wildlife and NTFPs.

As the project nears completion of Phase one, poaching remains an ongoing threat since it is an activity that is not unique to the PA system in Kamchatka but is universal, because it is still profitable, and due to the still weak enforcement capacity of the PAs in spite of the progress made during the project's first two years. During the project's Phase one, enforcement capacity has been increased through the hiring of some additional staff, providing them with training and transportation and communication equipment, and the construction of additional ranger stations in the PAs. These initiatives are to be continued in the second Phase of the project.

During Phase one, two assessments of NTFPs were also undertaken. These assessments involved surveys to identify commercially viable NTFPs and their distribution, and appropriate collection and treatment methods, focusing on using traditional knowledge and preparation techniques. These assessments resulted in a set of recommendations that provided the basis for preparing guidelines on zoning and methodologies for sustainable NTFP extraction.

Uncontrolled access and unorganized visitation: Kamchatka is an increasingly attractive destination for foreign tourists. The Nature Parks are also receiving increasing numbers of local visitors engaging in outdoor recreational pursuits. None of the protected areas in Kamchatka, however, has any notable experience with the development and management of tourism and visitor use. In zapodvedniks, access has historically been allowed only for scientific research. As a result, there is little to no infrastructure for managing visitor impacts and only a small number of rangers to control growing illegal access and uses. Certain areas within Kronotsky zapovednik, such as the "Valley of the Geysers", are highly desirable tourism attractions and a private company now flies tourists into the site, resulting in controversy centered on recreational use of the zapovednik, and the actual impacts and management of the tourists. Cruise ships may also occasionally let off tourists onto the shore of the reserve for limited supervised stays. In both sites, however, this visitation is controlled. Recreational use of the Nature Parks and the SKSS is largely uncontrolled and essentially unmanaged. In the absence of access controls, management programmes and essential infrastructure, recreational usage of these areas is leading to increased impacts on biodiversity. Although the project has begun addressing this threat in Phase one through the still limited increase of staff in the field, improvements in transport and communication for PA staff, and the construction of PA ranger stations at important locations for improving access control, uncontrolled access to the PAs continues to present a threat to the PAs' biodiversity on account of associated trampling of vegetation, littering, erosion, disturbance and illegal taking of wildlife, and increased risk of fires.

Pollution: Sources of terrestrial pollution within the PAs include visitors, staff and residents. At present, solid waste is not as significant in its potentially negative effects on biodiversity as is petrochemical pollution of streams, lakes and coastlines. Primary sources of petrochemical pollution include marine traffic and off road illegal users of the PAs. Secondary sources may include staff and research outposts in the PAs, either through accidental spillage or carelessness. Raw sewage enters rivers from the villages within BNP. During the project's Phase one, communities have become involved in voluntary park clean-ups (with Project support for equipment such as gloves, bags, etc). Approximately 22 km of trails have been cleaned and a number of old buildings demolished and removed. Similarly, Sevvostrybvod, the fisheries management agency, has undertaken a survey of water quality in the PAs with a view to curtailing petrochemical pollution of waterbodies during the coming years of the project.

Fire: Fires in the PAs are essentially of human origin since lightning storms are rare in Kamchatka. While the extent and frequency of fires at present are small, with increasing visitation under largely uncontrolled conditions, this may become a bigger threat in the near future unless visitor management actions are put in place now. Since the vast majority of the fires are caused by humans, any programme aimed at preventing fires in the PAs must necessarily, therefore, also include an environmental education component for PA visitors.

A potential future threat may be mining activity near Bystrinsky Nature Park. Mineral development adjacent to Bystrinsky Park and associated infrastructure within the Park is considered to be more of a threat by the NGOs than it is by the Park Administration. Currently there are two mines in the planning stages. A nickel mine is planned some 3 km outside of the Bystrinsky Park boundary. This mine would use an old road that runs adjacent to the Park boundary. Another mining enterprise is also planning to build a gold-mining plant at the top of the watershed but also outside of the Park. The concern here is that any upstream pollution would impact the Park through the watershed. The potential threats to Bystrinsky Nature Park associated with the Aginskoye gold deposit were considered and discussed extensively with many stakeholders during the project's preparation. In the end, consensus was reached that the deposit does not pose an immediate threat to the park. This issue was to receive further attention during the management planning exercise that was undertaken during the project's first Phase. Likewise, the development and implementation of the park's monitoring programme in Phase two of the project was to take this issue into account, as it will.

The management plan for Bystrinsky Nature Park that was prepared during the project's first Phase identifies the mining issue as one of the threats to the Park. Already the initially proposed borders of the Park were altered during the planning stage to exclude two major deposits of gold to the detriment of the aims of the proposed Park and the need to conserve biodiversity. The management plan also states that the presence of the Park is no guarantee against commercial intrusion in the future. Although providing no specific solution to this problem, the management plan does propose zonation measures that would effectively prohibit such commercial activities throughout most of the Park area. It also identifies the need for the designation of a protected buffer zone along the border of the Park, primarily to address the concerns of economic activities adjacent to the Park boundary. The management plan also recommends the undertaking of specific studies to identify the potential threats and to designate buffer zone widths and locations, as well as allowed and prohibited activities. The project proposes continuing to address this potential threat through close and open consultations between the Park, the Nature Parks Directorate, the Oblast Administration, local communities, the resource sector and NGOs. The establishment of a consultative body would be advisable in this regard. The Community Conservation Councils currently being established would be the most appropriate vehicle for such discussions. In addition, once the PA monitoring programme is established and implemented in Phase 2 of the project, and if mine development

does occur, then a major effort should be dedicated to the development of contingency plans for potential spills into waterways and for background monitoring of potential impacts on the Park.

To sum up, the main threats confronting the four PAs are as follows:

Kronotsky State Biosphere Reserve

- increasing poaching of bear, fish and reindeer
- increasing illegal access
- increasing cumulative negative impacts from existing visitation
- increasing habitat disturbance leading to decreasing populations of rare endemic forms of geothermal flora
- degradation of coastal habitats and disturbance of marine mammals and birds

South Kamchatka State Sanctuary

- extensive poaching of salmon and some mammals such as bear
- increasing negative visitor impacts
- impacts from people living and working in the sanctuary
- coastal and river pollution by hydrocarbons

Nalychevo Nature Park

- increasing poaching of salmon and ungulates such as sheep and reindeer
- weakly regulated exploitation of NTFPs resulting in over-exploitation
- uncontrolled access and use resulting in increasing cumulative impacts from visitors
- river and coastal pollution by hydrocarbons

Bystrinsky Nature Park

- increasing poaching, including illegal collection of rare plants
- weak regulation of NTFPs leading to unsustainable levels of use
- increasing fuel wood collection
- river pollution by hydrocarbons and untreated human waste from two villages
- unregulated access and use of the park, including that by tracked vehicles on tundra, resulting in cumulative negative impacts on biodiversity
- potential future development of mining activity near boundary

2.b.6 Root Causes of Biodiversity Loss

Weak protected area management capacity (personnel, programmes, equipment, infrastructure, training):

The administrative, management, visitor use programming, and enforcement capacities of the protected areas in Kamchatka are still inadequate to address fundamental requirements. The staff of BNP, for example, consists of only the Director and two rangers. The addition of these two rangers was a direct result of the project's first Phase. Operational needs in the form of additional staff, essential infrastructure and communications and transportation equipment are still lacking, thereby compromising management. Currently there is a total of 12 staff for the two Nature Parks but their actual requirement is considerably greater. Aside from limited exhibits and the occasional publication of some informational materials, there are still no established programmes or staff dedicated to working with visitors. Thus, enforcement capability must still be strengthened considerably, as should visitor programming. Staffing requirements

need to be addressed, including the issue of staff retention, and protected area staff requires additional training in modern ecosystem based management approaches, enforcement techniques, working with visitors and adjacent communities, and in raising environmental awareness.

As a result of the project's first Phase, some essential equipment for PA operations has been provided and according to the Director of Nature Parks, this has already greatly helped in improving management and inspection capacity. The provision of snowmobiles has allowed inspectors to patrol the PAs and exercise greater control over poachers. The construction of checkpoints and control towers for the inspectors has also made a difference. The Director feels that the increased presence of inspectors in the field has definitely reduced the level of poaching. Training of PA staff also commenced in the first Phase of the project. Training has been conducted both within the PAs e.g., on how to use the existing laws against poachers and at seminars (e.g., eminars on legal problems and policing). Study tours to parks in Canada have also been undertaken. The two Nature Parks have developed significantly with regard to their management capacity during Phase one. Both now have Parks Offices, and Visitor's Centres will be constructed in Phase 2. Both have Directors, staff (although not yet necessarily sufficient in number), improved equipment, and good cooperation and relations with the community. Control stations (guard-posts) have been constructed and better means of communications have been acquired. Visitor behaviour codes have also been prepared for each Nature Park. The project is now preparing new codes according to new federal rules.

Inadequate quality and management of information: Inadequacies in biodiversity and socio-economic information have presented and continue to present a significant constraint to effective PA management. Until the project commenced, essential biodiversity and resource use information was inaccessible, missing or not readily useful for decision-making. While information has been gathered on the PAs' vascular plants, terrestrial and marine mammals, birds and fish, other orders have been poorly studied, if at all. Electronic biodiversity databases and a meta -database were non-existent. In the absence of up to date information, over-exploitation of species was thought to be occurring. Currently, none of the four PAs possesses a comprehensive multi-level biodiversity monitoring programme. Without operational monitoring programmes, management decisions may not be based upon the most relevant and ecosystem based information. Similarly, natural resource data have traditionally not been shared among the PAs, which inevitably leads to management inefficiencies. Access to information and its quick distribution to decision-makers are also areas requiring continued improvement. The required expertise to implement these improvements in information and its management is available both within the government agencies, research institutes and the NGO community, although some training in new techniques and modern technologies better suited to effective database management is needed.

As a result of the project's first Phase, existing biodiversity information that was dispersed in various administrative and research institutions has been collated and is currently being converted from paper to electronic format. An expert team was established for each PA to take existing information in paper form and convert it into a digital database in a standardised format. However, entering information into the databases and establishing mechanisms for making this information readily available to decision-makers and stakeholders remain to be done. Considerable time and expertise went into the design of a standardised format that is compatible not only with the Russian Federation system of databases but also standard global database systems. Up until now these two different database systems were not compatible. The project Working Group that has been guiding this process considers that the conversion of a significant volume of data from paper format to digital format, and the design of a new model format that is compatible with both the Russian standard model and the international model are two major outputs from the Project that will be of enormous value to Russian scientists and decision-makers in the future. This process of data conversion is to be completed by the end of 2004. An effective meta-database has also been developed and is currently being expanded and updated. The data gaps will be further identified when this information has been compiled in electronic form and inputted into the biological database and

the meta-database. This process can be considered to be well underway. The first priority will be to finalise the biodiversity data. This will be followed by completion of data entry for available socio-economic data. The appraisal and compilation of traditional environmental knowledge is an on-going process that includes coordination between the project and a number of other agencies. The Working Group considers any gaps in data to be consistent throughout Kamchatka (with regard to biodiversity) and not just pertinent to the PAs. The main gap reflects the fact that the ecosystems and biological communities have not been systematised as yet, and that the currently employed methodology for identifying ecosystems is very different from that used in the rest of the world. Although not originally a requirement under the project, the databases are also being designed to fit into an overall GIS system.

PAs are dependent on uncertain or unreliable sources of financing: Likely the most directly evident constraint for nature conservation initiatives in PAs continues to be the drastically reduced budgetary allocation to responsible management authorities. The effects of this massive under-financing are pervasive and extremely serious. Today, for example, protected area administrators and managers receive only salary allocations required to support a skeletal staff from the federal budget. In general, the PAs receive approximately only 10% of the budgetary resources required just to maintain basic essential operations. As a result, infrastructure in the long established federal protected areas, for example, has been deteriorating, essential operations such as enforcement and research had to be drastically curtailed or eliminated, qualified expertise is leaving due to low salaries, and it is increasingly difficult to attract and retain new appropriately qualified personnel. The sum total of these pressures is that the protected areas are extremely hard pressed to effectively fulfill their most basic mandated obligations.

Given the shortfall in funding that the PAs presently face, the development of alternative and sustainable financing mechanisms is essential. A combination of diverse mechanisms needs to be developed and used. These could include a combination of innovative public funding sources, benevolent contributions, and new revenue generating mechanisms. Fundraising by NGOs, using mechanisms such as wildlife art auctions must be encouraged, as should be the use of in-kind contributions to the PAs (volunteer services, equipment and materials). The possibility of taxation benefits accruing from in-kind contributions must also be examined and developed if feasible. New instruments must also be developed to more effectively capture "rent" from productive uses of the PAs, such as sustainable harvesting of fish, timber, and NTFPs within them, where this is permitted by legislation. User fees for visitation and tourism should also be instituted in all PAs. The use of for-profit enterprises (partnerships, advertising, sponsorship), merchandising, and tightly regulated commercial operations, such as concessions for tourism or recreational services, should be examined and developed where feasible. Fundamentally, increased revenue retention by the PAs at source must be provided for these mechanisms to have any appreciable effect. Thus, these changes would have to be initiated through and supported by relevant legislative reforms. Even with increased revenue generation by the PAs themselves, there will still be a significant projected shortfall between means and needs. Thus, a Trust Fund, the *Kamchatka Biodiversity Conservation Trust Fund* (please see Annex M), is being established to bridge the shortfall in recurrent costs of PA salaries and operations until the MNR and KOA, in conjunction with alternative supplementary funding mechanisms, are capable of absorbing these costs. Currently, there are no working models in Kamchatka or the Russian Far East of how to integrate self-financing mechanisms into protected area management. This project presents an outstanding opportunity to develop these and transfer them to other regions. The groundwork for establishing the fund has been done in Phase 1, though progress has been less than originally anticipated (see Annex L for the Executive Summary of the Phase I evaluation). The next two years will be devoted to obtaining co-financing commitments to the expected level. This fund will be a joint fund with the Salmonid project in Kamchatka.

Low internalisation of biodiversity conservation values in the attitudes and actions of local stakeholders: In spite of a considerable heightening of public environmental consciousness in Kamchatka over the past decade, there is still a general lack of awareness of resource depletion processes and biodiversity

conservation issues among primary stakeholders. The NGO community, however, is particularly active in remedying this situation. Kamchatka has many knowledgeable and dedicated individuals in the research community and in NGOs, as well as concerned journalists, whose abilities need to be applied to further raise awareness of biodiversity issues in general, and of the role that protected areas play in biodiversity conservation and sustainable development. Likewise, the inclusion of environmental education programmes in schools, focusing on biodiversity, would be of invaluable assistance in this regard.

The project, however, has already made a very significant contribution to heightening biodiversity awareness and advocacy. It should be noted that as a direct consequence of this project's first stage, the Kamchatka Ecological Initiative programme and the *Ecological Charter of Kamchatka* were prepared and the latter signed by all levels of government in Kamchatka. The Charter represents a social contract on the part of all signatories to support and promote biodiversity conservation in Kamchatka. It presents biodiversity conservation objectives, lists principles, specifies obligations, and describes mechanisms to be used in conserving biodiversity. Particular attention is given to protected areas. This intervention proved to be extremely efficient and will be further pursued and expanded during the project's second Phase. The major challenges will be to ensure that the Charter will be more than just a paper declaration by having the parties that sign the Charter make tangible contributions to biodiversity conservation, and to encourage the active involvement of the PAs and local communities in the Ecological Initiative.

Effective communication strategies have also been developed and implemented during the project's first Phase to increase public awareness of biodiversity. A considerable amount of comprehensive awareness raising materials has been prepared and disseminated using various forms of media and other distribution mechanisms. Educational materials and grants have been provided to schools and community libraries. The media have become closely involved at the local level. Twice monthly radio and TV broadcasts on matters pertaining to biodiversity and the PAs are well established now and local newspapers have regular articles on the PAs. Radio broadcasts are often more important due to the absence of TV in many smaller communities, and the project recognises this and gives radio a high priority. Raising awareness within the new regional Administration, which took office following the project's preparation phase, and sensitising frequently changing policy makers has taken considerable time and effort. Nevertheless, support for the project is firmly established. The project has also supported the development of a mechanism for including ecological knowledge and biodiversity information in teaching curricula, even within mathematics and chemistry. This is now being implemented informally within schools, and particularly in extra-curricular activities. Schools are now developing field trips and summer camps that focus on traditional land-use and traditional environmental knowledge. The Nature Parks are providing the required educational facilities. Much effort has been put into educating children on the purpose and function of Kronotsky zapovednik, and a biodiversity and Parks manual as well as an ecological education programme have been developed for Bystrinsky Nature Park. These initiatives in education and awareness are now starting to capture lessons and develop best practices and a more systematic approach for awareness raising. The Nature Parks now have a newsletter, which is popular, and they already contribute to TV and radio programmes. Information on biodiversity and the parks is now published in all of the regional newspapers. A public agreement on support for biodiversity conservation was signed in November 2003 between the local Duma, the heads of the PAs, the indigenous peoples, youth, and the media. The Project also started using International Biodiversity Day (22nd May) to undertake public hearings and educational events related to biodiversity in Kamchatka and the function of the PAs. The project has also assisted in the development of a regional museum and provided a consultant to evaluate the museum's facilities, capacity and requirements in relation to the conservation and presentation of biodiversity.

Current livelihoods are a source of pressure on important species and habitats: Under current economic conditions, and given the still low level of enforcement capacity in the PAs, poaching is continuing to be

a threat to the PAs' biodiversity. So is the exploitation of natural resources, including NTFPs, beyond levels of sustainability in the absence of proper management practices. Alternative livelihood options that can support the reduction of poaching and other user pressures on biodiversity in the PAs need further support and development. Potential sustainable traditional economic activities have been identified during Phase one of the project and the economic feasibility of some of these pursuits has been appraised, particularly in relation to reindeer breeding and the sustainable use of NTFPs. Trips to Canada by indigenous peoples have also been undertaken to gain familiarity with marketing and operation of small enterprises. An ecotourism feasibility assessment/definition study is currently underway and should be completed by August 2004. This feasibility study is also addressing the recreational carrying capacity for each PA. Community sensitivity to tourism, particularly ecotourism, is being developed through the project and communities are being given assistance to develop more appropriate tourist facilities. IUCN is helping develop the legal regulations and guidelines for ecotourism. Guides have been developed through the Project that target high-level tourism, and advice on how to develop opportunistic and pragmatic tourist ventures (800 copies) have been produced. A website is planned (Explore Kamchatka) which will be updated annually. This is being supported by new co-funding from the Alaskan Tourism Company, which has been leveraged through the project. The ATC has assisted with information, translation and editing. This website is sustainable and will be self-financing.

Nevertheless, stakeholders with an interest in pursuing alternative sustainable resource use options and livelihoods cannot do so in the absence of financial incentives for resource conservation, and mechanisms such as micro-credit programs or community grants. Conditions and mechanisms must continue to be created to foster the development of sustainable alternative livelihoods to significantly reduce the pressure on biodiversity in the PAs, and to provide a basis for sustainable community development into the future.

The SME support fund and small grant facility established during the project's first Phase proved to be very efficient instruments in this regard. So far, the grants awarded under the SME programme include those for setting up a herbal tea collection, drying and marketing enterprise, for the improvement of community library facilities (including Internet), for the development of a community information centre, for a school ecological project in Bystrinsky Nature Park, a Koryak people's exhibition in the local museum, for a youth club to clean up forest guided paths and viewing points, and a school grant for the development of traditional handicrafts. A number of additional grant proposals have been reviewed and grants have been disbursed. The SME Programme now has a well-established and functional office in Esso adjacent to the Bystrinsky Park Administration Office, thereby ensuring local community recognition of the linkage between the SME programme and the park's role in biodiversity conservation. Within the SME grant process there have been two rounds of grant applications so far. The Micro-Credit programme has developed more slowly because it is more complex and required the development of a greater understanding of procedures. However, 7 loans have now been disbursed and more effort is now going into explaining the fund. So far, credit applications ranging from US$ 1,000 to US$ 5,000 have been approved. These include credits for a cafeteria and food shop, a tourism service and hotel, a carpentry workshop, and the building of greenhouses to grow and sell vegetables. All of the above credits have been re-paid and the Credit Fund is now becoming very popular with previous borrowers keen to apply for another loan. The SME Office expects the number of application to keep increasing and it is also pro-active within the community in encouraging potential candidates to apply. Much time and effort has also gone into training fund staff and assisting potential clients.

Overall, these successful funding mechanisms have raised the credibility of the project and the PAs with the local people. Consequently, the SME programme is already making a major contribution toward addressing the root causes to biodiversity threats and the sustainability of the PAs at the community level. However, the SME fund's long-term financial sustainability must be enhanced by expanding its operations to areas and communities adjacent to other PAs in addition to those in BNP. Further capacity building is also required for the staff and clients of the facility. Likewise, closer linkages between the

SME Programme and the PAs' directorates need to be formed to support the PAs' educational and conservation awareness raising roles.

One related issue that will require resolution in the project's second Phase concerns the land privatisation process and the loss of use of traditional lands by indigenous peoples. After land was re-distributed in the early 1990s, indigenous communities were no longer legally allowed to access their traditional areas of use. Although many of them have houses in the towns and villages, they still prefer to live in the forest whenever possible. The indigenous peoples are very concerned about land ownership within their communities in order to maintain their traditional lifestyles but do not have any formal documents for land ownership as of yet.

Community involvement in PA management is low, reflecting a lack of knowledge of, support for and engagement in conservation activities: Federal reserves have had little history of interacting with or providing any benefits to local communities. Likewise, there is no tradition of or experience with involving local and indigenous people in PA management. The continuing development of community based management programs is therefore essential. Local communities need to become directly involved in PA decision-making and management, and they must come to see their effective management as being in their cultural, social and economic self-interest. In this regard, the promotion of co-management arrangements and the establishment of Community Conservation Councils were initiated during the first Phase of the project but require further continuous effort and assistance. The major contributions that indigenous environmental knowledge may make towards the management of these areas must also be maximized. The specific valuable roles of women in this regard must also be tapped into and utilized. The lack of community-based conservation is further limiting the effectiveness of PA management at a time of budgetary constraint when local communities could take on some of the management responsibilities with appropriate training. The contribution of community voluntarism to conservation management in the PAs must, therefore, also be developed.

During Phase one, attempts were initiated to increase community involvement in the management of the PAs. Input was provided by Canadian experts and Russian experience from the Altai and Koryak regions has also been drawn upon. Both of the Nature Parks have agreed to set up Councils for Co-Management with the communities. This will require consultation and round-table meetings to review the ideas and suggestions of all stakeholders. It would seem sensible to try and incorporate this Co-Management Council approach with the GEF Salmonid Project. Regulations to allow such co-management would need to be drafted and adopted. Such co-management approaches would definitely help with the sustainability of the PAs. The project is already assisting in encouraging and promoting this approach. At the community level there has also been an appreciable change in attitudes during Phase one as local people have come to see real concrete actions that are of benefit to them. The communities see that the PAs are real entities that are performing important work for biodiversity conservation and for them. Prior to the implementation of the project, there was much consultation at the local level which likely created the impression of the project being 'all talk but no action'. With now demonstrated evidence of concrete activities and benefits during Phase one, the support for the project and a desire to be involved in it has been continually growing.
Bystrinsky Park and its surroundings is home to eight different indigenous groups which have not always traditionally seen eye-to-eye on matters but the project has helped to bring these different groups together. Indigenous peoples have taken time to accept the aims of the project and their initial concerns focussed on land rights and being able to carry out their traditional activities of hunting and fishing in the presence of strengthened PAs. However, the Nature Parks in particular have shown a very successful involvement of the community and have been developed in a sensitive way, addressing community needs and assisting in alternative livelihood development and encouraging commercial enterprises that take pressures off biodiversity and help to sustainably manage natural resources. This has been noted by adjacent communities and by indigenous groups and other communities who now wish to participate in project

activities as they see very real benefits to be gained at the community level. Before the project was implemented there were no activities going on within Bystrinsky in support of biodiversity conservation and the Park was simply a paper designation. Now the entire community supports the Park.

The current legal and policy framework only weakly enables or secures biodiversity conservation: The legislation governing protected areas has traditionally concentrated more on enactment than on compliance and management. While this was likely adequate in former times, today's conditions require its adjustment. The zapovednik system was considered to need little in the way of enforcement regulations because any access to these protected areas was prohibited, except under special license. Consequently, the zapovedniki have never adopted any policy for interacting or cooperating with local stakeholders. Although there is a desire to promote tourism as a financing mechanism for the PAs, legislation that promotes tourism by providing favourable conditions has not been developed. Tourism is occurring unofficially and the benefits of the activity largely bypass the PA administrations. Similarly, appropriate legislative conditions should be developed to provide for a greater range and opportunity for PAs to develop and implement self-financing mechanisms such as leases, concessions, in-kind donations, and others. The penalties provided for in legislation for poaching are also extremely low and inappropriate. Clearly, such legislation does not inhibit poaching but rather inadvertently encourages it. In addition, the costs of prosecution and often the expected low likelihood of obtaining a conviction may also deter prosecution. Lack of coordination and collaboration among responsible federal and Oblast agencies resulting from legislative limitations may also lead to conservation management inefficiencies. Thus, the entire legal and policy framework governing PA planning, community involvement, collaboration with other agencies, management, and resource use in the PAs was initially targeted for strengthening to make it more conducive for directing and supporting more effective PA management and biodiversity conservation.

During the project's first Phase, an assessment was undertaken of current policies in relation to biodiversity, as was a review of the legislative and regulatory basis governing biodiversity conservation in the PAs. Legislation pertaining to tourism development was also assessed, as were opportunities and required policy and legal adjustments to enable increased revenue generation by the PAs. Legislative needs for strengthening the response to poaching and other threats were also identified. This resulted in the definition of deficiencies and the development of a set of specific recommendations in the form of proposed amendments to strengthen policy and legislation, for all of the foregoing. Some of the proposed changes to the local and regional legislation include those pertaining to a tourism law, the establishment of biodiversity conservation norms, and a law on PAs' revenues. These have been submitted to the Regional or Oblast Duma and Administration. Some of these recommendations have already been introduced in draft regional laws. Of particular note, is that as a direct result of the project's first Phase, all PA inspectors or rangers now have powers of arrest in the PAs, including in all of the Oblast Nature Parks. This addresses a previously major deficiency in management capacity and indeed biodiversity conservation efforts in the regional Nature Parks. In the second Phase of the project, continuing effort will be devoted to the realization and implementation of the recommended changes.

Summary of Immediate and Potential Threats and Root Causes

THREATS	ROOT CAUSES
Poaching of wildlife, particularly bear, snow sheep, reindeer, marine mammals and salmon resulting in reduced populations and changes in population	Subsistence needs in poor economic conditions and lack of alternative livelihoods in communities in PAs, as well as the economic enticement of organized poaching Near absence of enforcement capability in the PAs Low level of overall proactive management capacity in PAs Legislative deficiencies that do not strictly inhibit illegal activities Lack of awareness by population of importance of biodiversity conservation and

structures due to removal of trophy animals	role of PAs in this regard Lack of involvement of local communities in PA management
Harvesting of NTFPs and other natural resources, including endangered plants, above levels of sustainability	Economic pressures arising from the lack of alternative sustainable livelihoods Information base on NTFPs and other exploited natural resources not yet comprehensive or up to date, compounded by undeveloped monitoring system and thus compromised permitting system Low levels of awareness of biodiversity values and resource exploitation limits Low level of community participation in PA conservation management
Uncontrolled access by visitors leading to largely unmanaged uses of PAs that result in numerous impacts including loss of vegetative cover, erosion, trampling, and elevated risk of fire	Inadequate management capacity to effectively regulate access and provide for appropriate uses of the PAs Absence of programmes designed to work with users of PAs regarding visitor impacts, biodiversity values and appropriate conduct
Terrestrial and aquatic pollution by residents of PAs and visitors (solid waste, abandoned equipment, hydrocarbon)	Lack of environmental awareness among residents of PAs and visitors Lack of waste collection/treatment infrastructure
Potential increased incidence and extent of fire caused by humans	Low levels of environmental awareness Absence of facilities for users of PAs Low capacity to control fires
Potential threat to BNP arising from potential mining developments	Economic development is a high priority, and decisions may be made that may not be balanced against longer term benefits associated with sustainable conservation of biodiversity

2.b.7 Baseline Scenario – What Would Happen Without Continued GEF Support

The baseline course of events, as represented by a "business as usual" scenario, is summarized below.

Protected area management: The prevailing economic conditions in the Russian Federation would result in a continuing inadequate level of government funds for supporting effective protected area management. Funding of essential management and operations functions would be extremely minimal, at best. Protected area management capability would, therefore, erode relative to rising needs, resulting in an increase in illegal activities within the protected area boundaries and accompanying biodiversity losses. Largely sporadic international assistance would continue. WWF-Russia would provide occasional targeted support, strengthening environmental education, and providing for the construction of small-scale tourism infrastructure in Nalychevo Nature Park. WWF-Russia would also work in Bystrinsky Nature Park, focusing on the provision of limited infrastructure and communication equipment. The Wildlife Conservation Society would continue its ongoing research programme on bears. Nevertheless, protected management capacity has been strengthened somewhat during the project's first Phase. A limited number of additional staff has been hired, the PA directorates for the Nature Parks have been established, Management and annual Operational Plans have been prepared for all four PAs, information has been upgraded and other aspects have been strengthened. These improvements must be further strengthened, and others undertaken and all made sustainable in the second Phase of the project.

Sustainable livelihood support: The development of sustainable alternative livelihoods would receive no further appreciable support in a business as usual scenario. The Oblast Administration and the Federal Government are able to provide only minimal financial support to rural communities, and the development of sustainable livelihood alternatives will not be a priority in Kamchatka. The Oblast Administration, however, places a high priority on the development of tourism as a sustainable development option for its economy. This would continue to be the case, as the Administration would work, as funds would permit, to remove legal, policy, and economic barriers to developing its tourism sector. Some international NGOs would continue to support Kamchatka-based NGOs in the promotion of more sustainable options for the development of Kamchatka's economy. Without continued focused support for the development of alternative sustainable livelihood options, resource use pressures on the protected areas would mount and exact an increasing toll on their biodiversity values.

Biodiversity awareness: General environmental education and awareness raising would be carried out on a limited scale primarily by NGOS and researchers, and the limited capabilities of the protected areas' staff. Existing environmental programming and use of mass media would continue to the extent that the small budgets of NGOs working in this field in Kamchatka would allow. There is no assurance that environmental education would be further integrated into school programmes. Biodiversity conservation issues would retreat in the public mind. No further effective biodiversity conservation programming for communities and visitors to the PAs would be developed at the scale that is required.

Data collection, management and monitoring: Kamchatka-based research institutes and PA staff would continue to gather biodiversity and natural resource data as their limited funds permit. Some additional species inventories would be conducted and further research on volcanic and geothermal processes would be undertaken. Many of the identified gaps in biodiversity information, particularly in the marine and aquatic environments, would remain. Monitoring effort, capacity and thus relevance of the monitoring results to decision-making would progressively decrease, and whatever information remained would not be up to date, comprehensive, or necessarily relevant, thereby compromising its value to decision-makers. Some international NGOs would continue working with Russian experts in ongoing studies of selected high profile species, such as the brown bear in SKSS. Without continued support, the data compiled and databases established during Phase I not be completed or effectively managed, would be deficient, and thus would not be of immediate usefulness to PA managers and decision-makers.

Financing: Government expenditures on biodiversity conservation would continue to be limited. No funds would be available for key PA planning, management and operational needs. Recognizing the vulnerability of the PAs' biodiversity, a number of international organizations would provide some intermittent financial assistance as discussed above. Nevertheless, it would not be focused upon the overall comprehensive strengthening of the PAs on all required fronts, or the PA system in Kamchatka, but more on specific isolated programmes. The requisite financial stability for the effective long-term conservation of the PAs' biodiversity would, therefore, continue to be absent.

Legislative and policy reform: Identified existing inadequacies in the legislative and policy framework would likely not receive priority attention given the other pressing concerns confronting the governments. Thus, the development of more effective and efficient PA management, as well as reforms to promote greater self-financing opportunities, would remain unrealised. Poaching of significant biodiversity would likely increase in the absence of strengthened legislation and its enforcement. Greater potential efficiencies in operations between federal and Oblast level PAs would not be realized. A new model of coordinated PA management involving the federal and regional level PAs would not be developed or tested.

2.b.8 Alternative Scenario – What Will Happen With Continued GEF Support

The goal of this project is to secure the global benefits of conserving biological diversity in all protected areas in the Kamchatka Oblast. Its immediate objective is to demonstrate approaches for sustainable and replicable conservation of biodiversity in four existing protected areas as a model for a sustainable system of protected areas in Kamchatka. GEF resources would: strengthen the protected areas' administrative and management capacity; enable the development of a more rational and supportive PA legal foundation; increase stakeholder biodiversity conservation awareness, commitment and participation in PA management; further promote alternative livelihoods building upon the progress achieved in the first Phase so as to decrease pressure on the PAs' biodiversity and increase community involvement in conservation; increase efficiencies by improving collaboration between federally and regionally administered protected areas and among responsible authorities; leverage co-funding support to ensure the attainment and sustainability of project results; and disseminate best practices and lessons learned to other PAs in Kamchatka, Russia and elsewhere using government and NGO channels.

This project will supplement the existing baseline situation in the four PAs with a GEF co-financed suite of incremental biodiversity conservation initiatives alongside a non-GEF co-funded sustainable development baseline.

The Project's five Outcomes and associated Outputs are summarized below.

Outcome 1: Protected areas are effectively managed

Currently, the PAs are still ill equipped to effectively address even their most pressing threats. The reasons for this are numerous and include: lack of staff, lack of training, lack of equipment, lack of essential infrastructure, legislative deficiencies, conflicts with adjacent land users, lack of adequate and reliable funding support, and others. Outputs and activities to be undertaken to achieve this outcome will be directed towards the alleviation of these key constraints to the PAs' effective management.

Output 1.1 Essential infrastructure and equipment is acquired

The near absence of an effective enforcement capacity in all of the PAs seriously compromises their biodiversity conservation effectiveness. Poaching is cited as the most pressing problem confronting all of the four PAs. The project will support activities that will lead to a significant improvement in the resource protection capability in each of the PAs. This will include the additional establishment of patrol stations in key locations in each of the PAs, and the further provision of means of communication and transport, and uniforms for PA staff.

Given the current push for the development of recreational opportunities and tourism in the PAs, and considering that already unmanaged recreation is threatening the PAs' biodiversity values, there is an urgent need for instituting effective management controls for these spheres of activity. The project will support activities that strengthen visitor management and lessen visitor impact. The latter include signage, the erection of barriers to sensitive areas, the construction of trails where necessary, and the provision of essential infrastructure, such as campsites, parking areas, viewing platforms, and waste collection bins at visitor concentration sites.

Since human caused fires *may* become a threat to the PAs, the project will support activities to lessen the *potential* incidence of fires. This will largely be done by raising levels of environmental awareness of staff and visitors to the PAs. Basic fire fighting equipment such as hoses, water pumps, shovels, radio stations, chainsaws, and binoculars, however, will also be provided for the PAs.

A Training Centre for PA Management in Kamchatka will be established and equipped following the recommendations of a recently completed feasibility study conducted during Phase I of the project. That study recommended that a Training Centre be established within the new Nalychevo Nature Park Administration office in Yelizovo and be put into operation as soon as possible. For training, it recommended that a Training Coordinator be hired to oversee the various aspects of administering the programme. Moreover, the "Training Programme for National Park Staff" and its companion "Methodological Recommendations", which were prepared by the Moscow based Biodiversity Conservation Centre in 2002, be used as the basis for the training since the contents of these satisfy all the requirements for upgrading PA staff qualifications not only in national parks but also in all other PA categories. The study also recommended the development of partnerships to assist with the training as required.

During the first Phase, the project has established partnerships with national and international (Canada, USA) institutions providing training to PAs and ecotourism operators. These partnerships will be further explored and expanded to support the establishment and operations on the Training Centre. The Training Centre will initially provide training on PA management to PA staff with the potential to expand its capacities, expertise and operations to a number of other areas including ecotourism, conservation awareness and education. The Centre will monitor training needs and assess the effectiveness of training. Efforts will be made to achieve financial sustainability of the Centre to the greatest extent possible by the end of Phase II through compensated/commercial training and certification services to ecotourism operators, private guides and non-Kamchatka PAs. The feasibility of expanding the Centre's operations to service the Far East region will also be assessed during Phase II.

Output 1.2 PA Administration and staffing is strengthened to effective levels

The PAs are also still deficient from an administrative and staffing standpoint. For example, for Bystrinsky Nature Park, the staff consists of only the director and two rangers. This issue was raised in the evaluation report for the first Phase as one of the most critical problems facing the project. All four of the PAs require support for the creation of an administrative nucleus and for increasing staff numbers to levels appropriate for performing basic management functions. The staffing needs identified through the management planning process undertaken during Phase I are as follows: for BNP, 13, for NNP 11 and for KSBR and SKSS a combined total of 42.The project team and UNDP will continue the policy work and dialogue with the regional government to ensure that its financial commitments to the PAs are met. Greater efficiencies can also be realized through improved coordination of functions with other departments and agencies in the management of all of the PAs. The project will assist in the strengthening of administrative capabilities in the PAs, and will likewise support activities to improve the coordination and collaboration among all responsible agencies involved in protected area management through the establishment of partnership arrangements. The project will also support the raising of staff qualifications through the institution of training in ecosystem and natural resource management, with an emphasis on biodiversity conservation utilizing the service's of the above Training Centre. Training and capacity building activities will be based on the definition and monitoring of training needs and skills assessment prior to and after the training.

Output 1.3 Biodiversity information and its use in decision-making is improved and monitoring programmes are instituted

Information on the PAs' biodiversity is still incomplete or dated. The Nature Parks are only 9 years old and thus possess less information on their biodiversity and ecosystems than the two more established federal PAs. Even in the older PAs, however, the information is still incomplete. This prevents the

development and implementation of ecosystem-based and effective management programmes in all of the PAs. Data gathering has traditionally been driven by the particular interests of researchers rather than ecosystem management considerations. Information on some orders and on some ecosystem processes is also absent or deficient. Thus, activities under this output will be geared first towards addressing the gaps in *key* information. Only essential information will be compiled with support for these activities being derived from the sustainable development baseline. Essential information requirements were defined on the basis of a biodiversity conservation information needs assessment undertaken in the project's first Phase. The contributions of local communities and the TEK of indigenous populations will continue to be incorporated. The compilation of this information will establish a baseline against which the effectiveness of the areas' management, and of the project, will be measured.

Following the definition of the baseline conditions, the focus of activities will be on the development and implementation of an ecosystem based monitoring programme in each of the four PAs. The programmes will be designed in a manner that will yield *key* information to PA managers and other decision-makers. For efficiency and economy, one generic programme will be designed for all four PAs, and then that programme will be tailored to the specific requirements of each PA. The monitoring programme will also incorporate and track socio-economic trends. A key element of monitoring programme development will be the selection of appropriate indicators. The indicators selected should be capable of differentiating natural changes from anthropogenic effects. Likewise, thresholds for acceptable variation in specified ecosystem parameters will also be incorporated into the programmes, as will be clearly presented monitoring protocols. Visitor use and impact monitoring will also be an integral element of each PA's monitoring programme. A reporting mechanism will also be instituted. Human ecological considerations pertaining to land and resource use will also be incorporated into monitoring. Research will help in describing areas of traditional activity, and work with community members will help identify key indicators of use on the basis of local knowledge. The extremely valuable contributions of local and indigenous people, such as reindeer herders, and especially women, will be relied upon in strengthening the information base. UNESCO is supporting this element, and in revitalizing traditional modes of knowledge transmission and strengthening the role of women in this regard.

The project will also support activities geared towards improving the storage, management, and distribution of information on the PAs to decision-makers and the general public. A centralized GIS for all four PAs will be established on the base of the KSBR in Yelizovo. Arrangements will be made for providing access to this data to decision-makers and for the exchange of data among the four PAs. To enable the implementation of the monitoring programmes and continuing biodiversity assessments, the project will support the procurement of essential monitoring equipment and infrastructure as will be required.

The compilation, storage, and dissemination of traditional indigenous knowledge pertaining to the PAs and biodiversity conservation will also be supported. The compilation and use of traditional environmental knowledge in all aspects of PA management and sustainable use of natural resources will be relied upon extensively, particularly in the case of BNP where the indigenous population primarily resides.

The production and dissemination of an annual State of the Parks report for all four PAs will also be supported.

Output 1.4 Pollution at degraded sites is removed

All of the PAs have varying amounts of infrastructure and residents on their territories. To lessen their undesirable impacts, the project will continue to support activities resulting in the clean up of polluted

sites and the reclamation of currently degraded sites. These activities will be reinforced by activities under Outcome 3 directed towards increasing levels of environmental awareness.

Output 1.5 New Management Plans and annual Operational Plans are prepared and implemented

Management plans have been prepared for each of the PAs during the project's first Phase. The first generation management plans are by necessity adaptive since not all requisite information is currently available. The plans set policy, confirm boundaries, establish zoning schemes, and create the foundation for conservation programmes for each of the PAs. They were developed through a participatory process involving all affected parties. The continued direct involvement of local communities in management plan implementation will be paramount, as will be the inclusion of indigenous and local perspectives and interests. The plans were prepared for a five year period (2004-2008). During the project's second Phase, the plans will be implemented and towards the end of the second Phase, they will be reviewed and new ones prepared, again using a participatory process, for the next five year period (2009-2013). Similarly, annual Operational Plans, through which the Management Plans are realized, will be prepared and implemented during the project's second Phase.

Output 1.6 The legal and regulatory base of the PAs is improved

Phase 1 project activities have resulted in the definition of deficiencies in the existing legal and regulatory base governing the PAs. Recommendations have also been made for activities that need to be undertaken in the second Phase of the project to overcome these barriers to effective management for biodiversity conservation. The implementation of these recommendations will be supported in the second Phase of the project. A major focus will be on improving the collaboration between federal and regional PAs.

Outcome 2: Local communities benefit from sustainable alternative livelihoods and are actively involved in biodiversity conservation

Experience of the past two decades from around the world has clearly demonstrated that biodiversity conservation in PAs cannot be assured without addressing the social and economic concerns of local communities, and without their direct participation in PA management as a matter of self-interest. This is particularly evident in more isolated regions where the links between local communities and the PAs are more immediate and profound. In short, local community welfare must be improved and local populations must be directly involved in PA management for any biodiversity conservation initiative to be effective in the long-term. Such is the case with these project areas. In the project's first Phase, the focus was on BNP but in the second Phase, the focus will be on communities living in or adjacent to all four PAs. This outcome's activities will be largely co-financed by CIDA.[3].

Output 2.1 Sustainable use of NTFPs in PAs is developed for economic benefit

The current economic conditions in Kamchatka have forced some members of local populations to pursue their livelihood at the expense of the PAs' biodiversity values and conservation objectives. While some limited natural resources gathering and utilization is provided for in the Nature Parks, and is occurring, it

[3] Using CIDA funding, a micro-credit expert helped develop the SME and small grants financing mechanism. A small grants programme has proven to be an extremely effective mechanism in promoting diverse community based biodiversity conservation promoting activities in the Lake Baikal regional component of the World Bank administered GEF project *Russian Federation Biodiversity Conservation Project.* The micro-credit facility assists in the development of SMEs, such as those related to the sustainable use of NTFPs and tourism, while the small grants are intended to support innovative and community driven projects such as the clean up and protection of streams, the development of biodiversity conservation materials and programmes for school children, and sensitisation of hunters to biodiversity conservation through work with hunters' associations and clubs.

is essentially unmanaged and thus the continuation of this trend will ultimately not be sustainable. Thus, there is a need to lessen these pressures on the PAs' biodiversity through the concurrent strengthening of the management of natural resource use and support of the development of sustainable alternative livelihoods for local populations.

The project will further help define and support substitute sustainable economic activities so as to lessen the direct pressure on the PAs' biodiversity. To this end, the project will support a range of initiatives to promote the development of alternative and environmentally sustainable economic activities for local populations, including the managed and sustainable use of NTFPs, the revitalization of traditional pursuits such as reindeer herding in order to realize economic and cultural benefits, and community participation in tourism through the development of home stays, guiding and other visitor services.

Output 2.2 Local populations are involved in tourism and PA protection

The project will continue to provide support for the education of local populations in business planning, the provision of tourism services, working as guides, organizing home stays, and working in museums. It will also help develop and implement the advertising and marketing of these services. The project will also assist in the development of programmes for involving local populations in tourism and protection functions in PAs on the basis of the PA Management Plans.

Output 2.3 Traditional resource knowledge and uses are supported

Traditional knowledge of sustainable resource use practices and of the environment is still present in local populations. The project will continue to support this important source of information by providing opportunities to share the knowledge through exchanges and the incorporation of information derived from traditional ecological knowledge into PA management. It will also provide support for the legal affirmation of exclusive rights to land use for "Indigenous Low Population Peoples of the North" organizations on territories designated for traditional resource use in the Bystrinsky rayon.

Output 2.4 Co-management and community based conservation mechanisms are established

Local populations, and especially indigenous peoples, must be directly involved in the PAs' management. To this end, the project will continue to support the establishment of Community Conservation Councils to directly and effectively involve members of local communities, and particularly indigenous people, in the conservation and management of the PAs to ensure their long-term conservation, as well as the holding of seminars on co-management and community based conservation.

Output 2.5 Ecotourism promotion and marketing programme is implemented

A detailed PA ecotourism development programme is being finalised within the framework of the project's first Phase. Defined promotion and marketing activities will be coordinated with those of a project proposal currently being developed by the Wild Salmon Centre for UNF funding, for which the preparatory phase has been completed. Risks to biodiversity related to tourism promotion will be mitigated by the involvement of local communities in the delivery of and monitoring of ecotourism services and by increased enforcement and management capacities of the PAs.

Outcome 3: Biodiversity awareness and advocacy is heightened among all stakeholders

While there has been a marked increase in environmental awareness and advocacy in Kamchatka over the past decade, the overall level is still rather low. Nevertheless, much has been already accomplished in

Phase I and there is a growing understanding of the need for biodiversity conservation at all levels. This project will continue to build upon this by further supporting a range of activities designed to further raise awareness of biodiversity conservation at all levels and among all stakeholders.

Output 3.1 Awareness raising programmes for schools are developed and implemented

Particular emphasis will be placed upon work with local communities and resource users within and adjacent to the PAs. In this regard, the TEK of local and indigenous populations will be extensively solicited and incorporated into biodiversity awareness programming, as well as management, within and outside the PAs. School aged children will also be a focus of the biodiversity awareness building activities. Materials and programmes for in-class delivery will be developed. In addition, annual ecology theme festivals and other initiatives will be developed and held.

Output 3.2 Awareness raising programmes for PAs are developed and implemented

A set of activities will be undertaken to develop and deliver biodiversity information programmes through Visitor Centres in PAs. The targeted audience will be visitors to the PAs, school children on visits, and PA staff. Work with visitors to the PAs will focus upon the specific PA's biodiversity values, their global significance, and codes of appropriate behaviour.

Output 3.3 Public environmental events are held

To help raise public awareness, the project will support the organization and holding of two well publicized annual events. Each spring and fall, ecological festivals will be held in communities around the PAs.

Output 3.4 Awareness raising programmes for society at large are developed and implemented

This will include awareness raising initiatives for decision-makers on land and natural resource values, the importance of biodiversity conservation, the global significance of Kamchatka's biodiversity, and integration of biodiversity conservation into the resource production sector decision-making. The project will also support the preparation of biodiversity conservation programmes and materials, and their distribution using a variety of techniques and media. The focus will be on regularizing these programmes and information delivery mechanisms, such as television and radio broadcasts at established specified times. NGOs will also be involved in these activities. The Ecology Charter for Kamchatka, prepared and signed by all levels of government during the project's first Phase under the umbrella of the Kamchatka Ecological Initiative, will be further promoted. The Charter lays out principles behind biodiversity conservation and obligates signatories to fulfill their responsibilities in biodiversity conservation. The private sector, NGOs, and other organizations will be targeted for signing the Charter. Stakeholders' commitments under the Kamchatka Ecological Initiative are to be operationalised and monitored. In this regard, mechanisms will be developed to turn commitments of the various stakeholder groups into tangible results.

Outcome 4: Sustainable financing mechanisms support conservation and promote biodiversity-friendly alternative livelihoods in and around the PA system

Due to the current under-financing of the PAs, there is a great need to generate additional revenues from and for PA operations. The federally administered PAs (KSBR and SKSS) were highly dependent on federal funds for the support of their operations. The two Nature Parks (NNP and BNP) are still relatively new and, thus, are also experiencing immediate financing needs during an economically difficult time.

The Small-Medium Enterprise Fund and the community small grants programme that were initiated in Phase I of the project, provide mechanisms for the diversification of community economic pursuits so that dependence on and thus pressures on biodiversity are decreased. This will be continued in Phase II.

Output 4.1 The Small-Medium Enterprise Fund and Small Grants Programme continue to support the development of alternative livelihoods for local communities and community based biodiversity conservation initiatives

To enable the realization of the above activities, in the first Phase, the project has implemented a micro-crediting facility for the development of small and medium enterprises (SMEs). The scope of the Fund's activity will be expanded to include other communities in or adjacent to all four of the project sites. In the second Phase, the project will continue to support the provision of associated training opportunities for small business start-ups, and the creation of an extension business development consultation facility.

Since not all interested individuals and groups are able to take advantage of available micro-credits from the outset, a complementary small grants programme was also established so as not to exclude their involvement in and contribution to biodiversity conservation and community development. Individual grants will continue not to exceed $10,000, and will be awarded annually on a competitive and thematic basis.

Output 4.2 The Kamchatka Biodiversity Conservation Trust Fund is established

The project will support the establishment of the Kamchatka Biodiversity Conservation Trust Fund (KBCTF). This will be a joint fund with the Salmonid Conservation project in Kamchatka. While the development of the Trust Fund has proven to be one of the more significant challenges to this Project in Phase I, much has been learned and project management has made necessary adjustments (see Annex M and below). The Project has developed a realistic strategy for overcoming challenges and managing the associated risks, including the restructuring of the fund to include a broader base of activities, the realignment of its focus toward the private sector and looking at new, innovative approaches to such financing measures. A substantive analysis of options was undertaken which provided the basis for the revision of the initial Trust Fund concept, and the development of a realistic resource mobilization strategy. This analysis included: a review of international and bilateral donors' attitudes and priorities; an expert workshop on debt-for-nature swaps organized in UNDP-Moscow; a review of Russian experience with environmental funds; and resource mobilization missions and consultations. These efforts resulted in the following findings: (a) the initial timeframe for resource mobilization allocated in Phase I of the project was insufficient; (b) a more diversified resource mobilization strategy has to be applied, including continued consultations with bilateral and international donors; (c) the private sector should be approached; and (d) sustainable financing/revenue generating mechanisms are to be designed and introduced. On the basis of the above analysis, a decision was made to revise the TF concept and establish a joint TF for two GEF projects currently under implementation in Kamchatka: this protected areas project and the salmonid conservation project, with the potential to include over time other conservation programmes in Kamchatka (see Annex M for the revised TF concept). The TF intervention is challenging due to the lack of precedents in Russia and resource mobilization challenges. However, the demand and need for the TF or a similar conservation finance mechanism remains highly relevant for Kamchatka and the Trust Fund has the potential to tap into and mobilize Russian internal resources. Following the abolishment of state budgetary Ecological Funds (EcoFunds), the proposed TF might well become the alternative mechanism to accumulate resources from multiple sources and channel them to conservation. The knowledge, experience and lessons learned by the project in this regard will be of high importance and will have great replication value in Russia and CIS countries. Risks related to this activity will be mitigated through the requirement for matching co-funding prior to the allocation of GEF resources into the TF.

The Fund will have an international component, and a Russian component. The international component of the fund will be established as a Trust Fund to provide for the recurrent operational requirements of the PAs particularly beyond the project. (The KBCTF Concept paper designed during the first Phase of the project is presented in Annex M). The GEF contribution will help in the development of the funding mechanism, working with potential donors, partially capitalize the Fund, and will leverage the Fund's targeted level of capitalization. The creation and capitalization of the Fund, however, will not be the sole responsibility of GEF. It will require a demonstrated level of co-funding commitment from other donors. *The UNDP will ensure that Fund co-financing commitments will be secured during the duration of the project. Securing the targeted level of co-financing will be a requirement to be met prior to the release of GEF funds.*

Output 4.3 PA revenue generating mechanisms are designed and institutionalised

A combination of mechanisms will be developed and used including innovative public funding sources, benevolent contributions, and new revenue generating mechanisms. A number of recommendations and draft legal provisions for introducing these mechanisms at the regional level were prepared during Phase I. Concrete legal and institutional instruments are to be introduced during the second Phase to operationalise them. The possibility of taxation benefits accruing from in-kind contributions must also be examined and developed if feasible. New instruments must also be developed to more effectively capture "rent" from productive uses of the PAs, such as sustainable harvesting of fish, timber, and NTFPs within them, where this is permitted by legislation. User fees for visitation and tourism should also be instituted in all PAs. However, caution will be exercised with the application of user-pays policies to avoid placing an additional burden on local and indigenous communities of Kamchatka and ensure their access to local recreational resources. Benefits arising from the efficient marketing of biodiversity products will also be explored.

Output 4.4 Public-private partnerships supporting revenue generation and sustainability of the PAs are demonstrated

The project will explore public-private partnership opportunities contributing to the sustainability of the PAs. The use of for-profit enterprises (partnerships, advertising, sponsorship, merchandising, and tightly regulated commercial operations, such as concessions for tourism or recreational services), will be examined and developed where feasible. This activity will build upon the further promotion of the Kamchatka Ecological Initiative and the Charter (see output 3.4.). Benefits from this activity will be consolidated with the financial resource mobilisation efforts of the Kamchatka Biodiversity Conservation Trust Fund.

Outcome 5 PA systems and other stakeholders throughout Kamchatka and the Russian Federation systematically apply and utilize lessons learned and best practices generated by the project

Many project experiences and lessons learned will be made available for replication in other PAs throughout the Kamchatka Oblast, the Kamchatka Peninsula, and the Russian Federation. The project will support the compilation and distribution of best practices and lessons learned, and will pride opportunities for broad exposure to the foregoing to staff of other federal and regional PAs.

Output 5.1 Materials on best practices and lessons learned are prepared for distribution

To disseminate and publicize the best practices, lessons learned and achievements of the project, a compendium will be prepared and made available for wide distribution. It will be available in both hard copy and on CDs. A concise menu of the project's knowledge products will be developed, regularly

updated and disseminated through the project website and UNDP and GEF networks. The project's web site will be upgraded and continuously maintained.

Output 5.2 Staff of other PAs and all stakeholders are exposed to best practices and lessons learned

The project will support the organization and holding of seminars illustrating the lessons learned and best practices. Representatives of other PAs in Kamchatka and the Russian Federation, and all stakeholders, including representatives of the governments, local communities, NGOs and the private sector, will be sensitised to the achievements of the project and the mechanisms to be employed to transfer the valuable practices and lessons to other areas in Kamchatka and the Russian Federation. The facilities of the Training Centre for PA management to be established in Phase II (see output 1.1) will be utilized . A prime focus will also be on the demonstration and replication of a new model of collaboration between federal and regional level PAs.

Output 5.3 Systemic nation-wide replication of project lessons and results through ministerial and NGO networks

The second project Phase will be focussed on providing a model demonstration for the Russian Federation of how regional and federal protected areas systems can be properly managed and sustained under the newly re-structured government responsibilities and policies. The dissemination and sustainability of project results will be ensured by integrating project recommendations into ministerial PA management methodologies and programmes. This component will also aim to develop better coordination and integration of activities between the federally-administered and the regionally-administered PAs. Efforts will be also made to strengthen mechanisms for multi-sectoral coordination, promote dialogue among conservation and economic development authorities on the lessons generated by the project, and mainstream the integration of the conservation of global environmental values into Kamchatka sectoral policies.

End of Project Situation: The four protected areas' management will be strengthened, and they will serve as models of approaches to sustainable biodiversity conservation in different socio-economic and institutional contexts. Measurable indicators, that are presented in Annex A, will show that the long-term conservation of their biodiversity values has been assured through the elimination of the threats confronting them, and clearly evident improvements in their management. Poaching and natural resource over-exploitation will have been significantly reduced, and the provision of alternative sources of livelihood for local communities will have negated the biodiversity exploitation pressure from these populations. The recreational potential of the areas will have been realized at a sustainable level through planned and well-managed tourism and visitation, activities that will also contribute to increasing the areas' self-financing capability. The protected areas will enjoy strong support from local communities, decision-makers at all levels and the general public, and will serve as anchors for the continued raising of biodiversity awareness and recognition of the need to safeguard biodiversity values among future generations in Kamchatka and visitors alike. Moreover, the protected areas will provide managers and decision-makers a replicable model for improving the management of the entire system of PAs in Kamchatka and indeed the entire Russian Federation. Likewise, the project will provide a replicable model for the coordinated and effective management of federal and regional PAs under the new institutional structure governing PAs in the Russian Federation.

2.b.9 Project Implementation Arrangements

The project will continue to be executed by the MNR with the direct joint participation of the KOA, and will continue to adhere to UNDP rules and procedures for national execution (NEX). The administration of project funds will be maintained as the joint responsibility of the UNDP and the MNR. The MNR is the National Executing Agency for the project. In particular, the MNR's responsibilities will include: 1) certifying expenditures under approved budgets and work plans; 2) tracking and reporting on procurement and outputs; 3) coordinating the financing from UNDP/GEF with that from other sources; 4) approval of Terms of Reference for contractors and required tender documentation; and 5) chairing the Project Steering Committee (National Project Director). The PSC will monitor the project's implementation to ensure timely progress in attaining the desired results, and efficient coordination with other projects. The MNR and the KOA will also facilitate the implementation of the required legal and regulatory reforms. The UNDP will be accountable to the GEF and other donors for proper use of project resources. UNDP will, therefore, be responsible for monitoring, supervision and evaluation of the project during the project's lifetime. The implementation arrangements for the project have been designed to maximize transparency and accountability. Disbursement figures will be made publicly available. These arrangements have been accepted by the stakeholders.

Participatory decision-making is also highly stressed in the project. The Project Steering Committee (PSC) will continue to provide overall guidance and support to project implementation activities. In order to allow for effective decision-making and coordination with other environment and socio-economic projects implemented in Kamchatka, the PSC will include representatives of the MNR and the Kamchatka NRC, the Administration of the Kamchatka Oblast, UNDP, key regional nature resources management authorities (Sevvostrybvod and the Hunting Management Agency), leading academic and research institutes (KIENR and KamchatNIRO), indigenous peoples' organizations, and leading environmental NGOs. The PSC will again meet the first month after Phase 2 commencement, and subsequently every six months to review the project and set major policy and implementation directions.

The PSC is chaired by the National Project Director (NPD). The PD is designated by the MNR and is responsible for carrying out the directives of the PSC and for ensuring the proper implementation of the project on behalf of the MNR. In doing so, the PD is responsible for management, reporting, accounting, monitoring and evaluation of the project, and for proper management and audit of project resources.

The Project Manager (PM) reports to the NPD. The PM is a full time project employee and was chosen in an open and fair competitive manner following standard UNDP hiring procedures. The PM is in charge of implementing the project and managing project activities. He/she oversees and co-ordinates the work of the working groups located in Kamchatka. All staff will continue to be hired using standard UNDP hiring procedures. If recruitment is carried out directly by the Executing Agency, the rules and regulations of the Russian Federation will apply. UNDP may monitor the transparency and competitiveness of the selection and recruitment process in such cases.

The UNDP Country Office will continue to monitor the project's implementation and achievement of outcomes and will ensure the proper use of UNDP/GEF funds. Financial transactions, reporting and auditing will be carried out in compliance with the national regulations and UNDP rules and procedures for national execution. The UNDP Country Office will ensure its functions related to the day-to-day management and monitoring of the project operations through the UNDP/GEF Programme Co-ordinator based in Moscow and the Project Manager based in the UNDP Project Office in Kamchatka. The UNDP Country Office will continue to support the project's implementation by maintaining the project budget and project expenditures and providing other assistance to project execution activities upon request of the National Executing Agency. The UNDP Country Office will provide these services in accordance with the "Letter of Agreement between UNDP and the Government for the Provision of Support Services". At the same time, the UNDP CO will invest heavily into building local and national capacities for project

execution with the intention of minimizing its involvement in project execution by the end of the project for the purpose of he project's sustainability.

Project implementation will continue to be shared among: the MNR at the federal level, the Kamchatka NRC, relevant agencies of the federal government, the KOA, the KNPD, other agencies of the Kamchatka Oblast Administration, research bodies, indigenous peoples' organizations, and NGOs. This allocation of responsibilities proceeds from the distribution of relevant legally mandated responsibilities, as well as the distribution of essential resident expertise. The implementing agents will work collaboratively among themselves and with local populations to ensure effective and timely implementation of the project's activities at the project sites. These implementation arrangements will be critically reviewed during project evaluation and revised if found necessary to improve its effectiveness.

Implementation responsibilities

Activity Area	Implementing Agents
Protected area management	MNR (NRC), KOA, KNPD, local communities, research institutes, NGOs
Alternative livelihoods and community-based conservation	MNR (NRC), KOA, NGOs, local community organizations
Conservation awareness and advocacy	NGOs, KOA, research institutes, media
Sustainable financing mechanisms	MNR (NRC), KOA, NGOs, bilateral donors, private sector
Best practices and lessons learned	MNR (NRC), KOA, KNPD, NGOs

In order to accord proper acknowledgement to GEF for providing funding, all project documents will include a paragraph to explicitly require that the GEF logo appear on all relevant GEF project publications, and among other items, project hardware and vehicles purchased with GEF funds. Any citation of publications regarding projects funded by GEF should also accord proper acknowledgement to GEF. The UNDP logo should be more prominent – and separated a bit from the GEF logo if possible as, with non-UN logos, there can be security issues for staff.

2.c Risks and Sustainability (including financial sustainability)

Despite recent policy and structural changes within the government, the federal and regional funding allocated to protected areas management has been gradually increasing over the last several years. These positive trends have been reconfirmed in 2005 budget plans – both federal and regional. Furthermore, with the federal law of August 2004, all regional nature parks are transferred to federal jurisdiction as of January 2005. While these changes imply a number of difficulties during the transition period, they obviously demonstrate the commitment of the government to stabilize financing, regulatory and legislative frameworks in this field. In accordance with the new law, an allocation of resources for nature park management has been included in the federal budget for 2005.

Both the federal government and the Kamchatka Oblast Administration have continually demonstrated support for and direct involvement in the project during its preparation and Phase I implementation. The government's expressed commitment to absorb the incremental salary costs of additional PA staff upon the project's completion will greatly contribute to the sustainability of project results. Although the regional government has not yet fully fulfilled its commitment to cover the increase in the PA staff cost, there is evidence that the situation is changing. The allocation for maintenance costs of the Nature Park

Directorate from the regional budget increased 12.5 times from 1999 to 2004 and amounted to 6.2 millions of rubbles (compared to 0.5 million of rubbles). The number of employees was increased by two people in 2003. A seven percent annual growth in the regional budget's allocation for park management is forecasted by the Kamchatka Oblast from 2005 to 2008. Legal and regulatory proposals designed by the project now receive due consideration in the regional government and parliament. A written commitment/confirmation has been received from the regional parliament that additional staff salaries were included in the regional budget forecast. All other stakeholders have also become keen participants in the project. The level of commitment demonstrated by all parties provides a good indication that the project's continued implementation will be successful and that its results will be sustainable.

Many of the project's results, such as improved governance, skills and knowledge, increased biodiversity awareness, the Kamchatka Ecological Initiative and Compact; SME support fund; ecotourism; PA revenue generation mechanisms and others, are considered to be sustainable over the long term, if successfully implemented during the project. The project's financial sustainability is specifically enhanced through the activities proposed under Outcome 4. The level of co-financing interest indicated for this project, as well as the diversity of sources, also contribute towards its financial sustainability.

The KBCTF will ensure that the recurrent operational expenditures of the four PAs will be covered beyond the project's timeline. The multi-stakeholder approach utilized in the project implementation, along with the development of strengthened institutional capacities and management capabilities of all parties to the project, will likewise promote its sustainability. The success of the Kamchatka Ecological Initiative and the Charter – a collaborative conservation advocacy campaign launched by this project in 2003 - is another factor contributing to the project's sustainability in the long run.

The SME Support Fund (SMESF) in Kamchatka has been designed taking into account long and short-term needs. It is one financing facility with two inter-related components: a micro-credit component and a small grants component. The micro-credit component has been designed as a sustainable revolving fund. In addition to the capital of the fund, the donor allocated resources for administration and management of the fund (including staffing) up to the end of the UNDP/GEF project. During project implementation the fund is intended to accumulate sufficient expertise and client base to permit it to achieve financial self-sufficiency, so that its operating costs are covered from the revenues from credit operations and other services (consultancy, training, etc.). Such experience is available in the Far East region (Khabarovk) and has been utilized in the design and establishment of the fund. The first year of the SMESF operation was targeted at getting the Fund up and running, and training and building proficiencies of the staff. Starting from next year, the Fund will expand its operations from the Bystrinsky district to other (more populated) areas in Kamchatka, which should allow it to increase its client base/credit portfolio and ensure financial sustainability of the micro-credit component. This strategy has been agreed with the donor (CIDA), the project Steering Committee and the SMESF governing bodies.

The small grants component of the SMESF has been designed as a sinking mechanism aimed at mobilizing communities and creating local capacities for alternative self-sustaining businesses. However, there are plans to attract new, additional resources to the SMESF small grants facility by developing further cooperation with the Far East Branch of the Eurasia Foundation, which participated in the design of this small grants facility.

Potential risks related to tourism development will be addressed by the project through strengthening the awareness and capacities of local tour operators, communities and PA staff. The ecotourism promotion programme to be developed by the project will help the PAs play a central role in managing, organizing, promoting and monitoring ecotourism operations on the territory of the PAs. The project will also provide a solid foundation for the replication of its best practices to the system of protected areas in Kamchatka

and in the Russian Federation, and further abroad, which will further assure the sustainability of its results and overall impact.

The implementation of the Trust Fund remains somewhat risky, as it is in many such instances. On the basis of the lessons learned in Phase I, however, the risks, challenges and opportunities have been clearly identified and project management has developed a realistic and credible strategy for managing the risks and seizing opportunities. The structural nature of the Fund and the approach to the Fund's establishment and capitalization has been adjusted accordingly. A greater number of potential donors have now been identified, and there are credible indications of increased donor interest. Aside from the Trust Fund itself, as a result of Phase I, there is now government support for the proposed innovative economic instruments and financial mechanisms that will also contribute to the financial sustainability of the PAs.

In addition to the Trust Fund, the following efforts are under to way to complement the TF strategy vis a vis project sustainability:

- *Strengthening governmental funding for PA management and development.* Despite recent policy and structural changes within the government, the federal and regional funding allocated to protected areas management has been gradually increasing over the last several years. These positive trends have been reconfirmed in 2005 budget plans – both federal and regional. Furthermore, with the federal law of August 2004, all regional nature parks are transferred to federal jurisdiction as of January 2005. While these changes imply a number of difficulties during the transition period, they obviously demonstrate the commitment of the government to stabilize financing, regulatory and legislative frameworks in this field. In accordance with the new law, an allocation of resources for nature park management has been included in the federal budget for 2005. With the governmental decision to transfer regional PAs to federal jurisdiction, there is a potential for more stable budgetary funding and staffing levels. There are still many legal and institutional issues to be resolved to ensure smooth transition and functioning/funding of nature parks; the project will support both regional and federal governments to resolve these issues. The project has been successfully lobbying for an increased regional and national funding to Kamchatka PA system. This work with the State Duma, the Ministry of Natural Resources, the regional administration and legislative council will be continued.
- *Optimisation of PA management structure in Kamchatka to ensure more collaborative management and cost savings*. The project will propose ways to reduce operational costs of regional PAs (nature parks) by combining separate nature parks into a cluster protected area (park).
- *Introduction and implementation of PA revenue generating mechanisms in Kamchatka and ensuring that the revenues are used to offset the recurrent costs of PA management.*
- *Promoting further a notion of environmental services generated by the protected areas (linked to i.3)*
- *Building PAs capacity for closer involvement in ecotourism activities, environmental education and provision of training* (through a joint training centre) to diversify potential sources of extra-budgetary funding
- *Supporting the PAs in building international cooperation* and twins-relationships with other PAs and international environmental agencies.

2.d Replicability

Project lessons will be replicable across all of Kamchatka Oblast, the Kamchatka Peninsula, and throughout the Russian Federation. Outcome 5 is specifically designed to ensure the dissemination of best practices and lessons learned, and the replication of methodologies developed to other protected areas throughout the Kamchatka Peninsula and the Russian Federation. While regional diversity and disparities in the level of PA capacities and development could hamper full scale replication of project experience

throughout Russia, there is confidence that concrete products and lessons generated by the project will be replicable with the use of a flexible demand-tailored approach. This replication potential is ensured by:

- relatively homogeneous legal and regulatory framework for PA management throughout Russia;
- involvement of the federal ministry;
- representative and inclusive selection of project sites (federal and regional PAs; different level of initial capacity; representative threats to biodiversity);
- diverse nature and number of project lessons/solutions/products representing a balanced approach to conservation and regional development.

The following elements of the project are most suited for replication in other areas:

- database design and data management/exchange mechanisms
- monitoring programme design and implementation
- Management Plan and Operational Plan preparation for PAs
- minimization of visitor impacts
- biodiversity awareness-raising programme development and delivery
- mechanisms for increasing self-financing by PAs
- working with and involving local communities in PA management and biodiversity conservation activities, specifically the work of Community Conservation Councils
- micro-credit programs for the development of alternative biodiversity supportive livelihoods

Replication will be generated through published project materials as well as by way of seminars for staff of other PAs, local communities and all other stakeholders. A dissemination strategy will be built upon UNDP Russia's programme network (e.g. Altai Sayan, Lower Volga), and the ministerial and regional PA networks. It will also be tailored to the analysis of partners' capacities and demands for various products and solutions generated by the project. The proposed PA management training centre will also provide a base for the dissemination of experiences and lessons learned to staff of other PAs.

2.e Stakeholder Involvement

Extensive stakeholder participation has been sought and obtained during both initial project preparation (Annex E) and Phase I implementation. **All** stakeholders have continued to express support for the project's objectives. Indeed, stakeholder buy-in and interest in the project has been significantly increased during its Phase 1. Numerous workshops and stakeholder meetings were held in Petropavlovsk-Kamchatskyi and in the communities of Esso, Anavgai and Milkovo during project preparation and Phase 1 implementation. Experts working on various aspects of the project have likewise met with all key stakeholders during project preparation and Phase 1 implementation. The Project Steering Committee, comprised of representatives of all key stakeholders, met three times during the project's development to guide the process and to review progress and has continued to be active meeting twice yearly during Phase 1. The project team has also produced a newsletter on the project, and numerous interviews in the public media have been granted to raise awareness about the project. All key federal and Oblast government institutions have been directly involved and informed of the project, and other stakeholders have been participants in the project's development and Phase 1 implementation. Since much of the project's success is predicated upon involving local communities in a partnership in the management of the PAs, special effort and specific activities are continuing to be included in the project to promote and sustain this essential partner relationship. The draft project brief was reviewed and endorsed both by the Kamchatka Oblast Administration and the GEF National Operational Focal Point (Annex C).

In terms of benefits accruing to stakeholders, the sustainable conservation of biodiversity values of the four project sites will provide benefits that are significant globally, nationally and locally. Global benefits of the project will include the securing of long-term protection for globally significant species, habitats,

and communities that are currently stressed and are increasingly threatened by numerous factors. National benefits accruing from the project will include the enhancement and distribution of protected area management capabilities, the improved collaboration between federal and regional PAs, the establishment of a sound financial footing to ensure the protected areas' sustainability, and the accumulation of transferable knowledge and skills to other contexts. The PA administrations and staff will benefit from exposure to new management approaches, improvements in the information base, enhanced capacity to effectively manage the PAs, upgraded skill sets through training opportunities, and improved relations with local communities and users. Locally, through the provision of alternative livelihood options to the resident population, the project will enhance local support for conservation, and will stimulate the development of self-reliance and sustainable economic use of the areas' biodiversity resources. The project will provide these communities with the knowledge and mechanisms to adapt their use of the PAs that optimise their economic and social welfare while sustainably conserving their biodiversity values. In addition, secondary beneficiaries, including NGOs and other government agencies and partners in project delivery, will benefit from their own capacity building.

2.f Monitoring and Evaluation

2.f.1 Approach for Project M&E System

This project has a comprehensive M&E program included in its overall design. Project progress and impact will be monitored using annual reviews against implementation milestones and indicators presented in the logical framework (please see Annex B). During Phase I, the project's progress and performance were monitored through bi-annual Steering Committee meetings, annual project implementation reviews (APR/PIR), quarterly progress updates, and field visits by the UNDP CO. These monitoring exercises allowed project management to identify and resolve a number of implementation issues before they became serious challenges; improve the quality of reporting and consultancy products; and adjust project planning. Project field visits and face-to-face meetings with the project team and stakeholders appeared to be the most effective monitoring tools. One independent evaluation was completed for Phase I of the project. The review was generally very positive, but it also helped to underline a number of issues for improvement - mainly sustainable financing and staffing of the PAs and other sustainability issues. The Phase I evaluation has been instrumental in underlining gaps in project implementation and adjusting the project strategy for the next Phase. It also showed that during Phase II the project will benefit from an impact monitoring and lessons learned expert/team member. The effectiveness of monitoring and evaluation activities during Phase II of the project will also benefit from a strengthened Logical Framework that provides quantitative result measurement indicators and an improved biodiversity information baseline established during Phase I.

The project will undergo two formal and *independent* evaluations during Phase II. The first evaluation will be conducted towards the end of year 2. This evaluation will assess progress in achieving expected results by that time, identify any difficulties in project implementation and their causes, and recommend corrective courses of action. The second evaluation will be conducted towards the completion of Phase II (year 4, q. 3). The focus of the last evaluation will be on the effectiveness of the overall project in attaining its objective and expected outcomes, and on extracting valuable lessons for future application. All evaluations will proceed on the basis of accepted rigorous criteria focusing both on the attainment of the specified project outcomes/outputs, as well as the implementation of identified activities using indicators provided in Annex A. Evaluation criteria will be presented in detail in the project Monitoring & Evaluation Plan. A set of baseline indicators will be developed before the launch of Phase II as recommended by the first Phase evaluation. The WB/WWF Management Effectiveness Tracking Tool will be used during Phase II to assess the enhancement of the management and performance of individual PAs included in the project. The UNDP may also schedule additional evaluations at its discretion.

2.f.2 Organizational Arrangements for Implementing M&E

Phase II Monitoring will be *ongoing*, involving data collection and assessment of the project's field implementation and will involve key project staff meeting semi-annually to review operations and field implementation and assess whether new priorities require a shift in the project's implementation. The project will be subject to the standard UNDP/GEF monitoring requirements. Monitoring field visits will be carried out at least twice a year by the UNDP CO. The PM will prepare and submit quarterly narrative reports to the NPD and UNDP. The PM will also be required to produce an Annual Project Report and Project Implementation Review (combined APR/PIR). 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/PIR provides a basis for the Project Steering Committee meeting and Tripartite Review (TPR) - the highest policy-level meeting of the parties directly involved in the implementation of a project.

3. FINANCING

3.a Incremental Cost of the Project

The incremental project costs, to be financed by GEF during Phase 2 of the project total US$ 5.5 million, bringing the total GEF contribution, including Phase 1 but excluding project preparation costs, to US$ 7.6 million. The amount of $US 9,885,000 million in co-financing for sustainable development baseline and non-GEF incremental activities has been leveraged for the duration of the project for the realization of the domestic and local benefits in conjunction with the securing of global benefits. Co-financing will continue to be provided by the MNR, the KOA, IUCN, UNESCO, WWF, WCS, and through CIDA's continuing bilateral assistance. Letters of co-financing support are provided in Annex G.

3.b Project Total Cost by Outcomes

ESTIMATED PROJECT BUDGET

Project Outcomes	Phase II (US$)	
	GEF	Total Co-financing**
Strengthened PA management effectiveness capacity	3,100,000	4,152,000
Developed alternative livelihoods and community-based conservation	320,000	868,000
Heightened biodiversity conservation awareness and advocacy	420,000	875,000
Established financing mechanisms	1,800,000*	3,000,000 (KBCTF) + 990,000 (SMESF)
Basis provided for replication of best practices and lessons learned	90,000	
M&E	70,000	

Sub-Total Full Project Phase 2	**5,800,000***	**9,885,000**
Total: Full Project Phase 2		15,685,000 *

*** This figure includes US $ 300,000 initially allocated for the first Phase of the Kamchatka Biodiversity Conservation Trust Fund's capitalization that is being carried over into the second Phase of the project. Thus, the actual request to GEF for the project's second stage is US$ 5,500,000**

**** Includes baseline and sustainable baseline co-financing**

4. INSTITUTIONAL COORDINATION AND SUPPORT

4.a Core Commitments and Linkages

Environmental protection is a key focus area of the CCF. The project is entirely supportive of and consistent with the UNDP's country programmes. To date, UNDP has demonstrated a high level of commitment to Kamchatka. It has established a regional office in Petropavlovsk-Kamchatskyi. This office has now developed close working relations and mutual understanding with representatives of the federal and regional governments, communities, NGOs, and other stakeholders in the project sites and in Kamchatka, itself. UNDP is now the most high profile international facilitator of biodiversity conservation initiatives in Kamchatka.

4.a.1 Location of Project Within IA's Program

The Country Cooperation Framework (CCF) for the Russian Federation identifies biodiversity conservation as one of the focal areas for UNDP support. With GEF support, UNDP continues to assist the Russian Federation in meeting its obligations under the Convention on Biological Diversity. UNDP country support is being directed towards the strengthening of institutional and management capacity, the raising of environmental awareness, the promotion of partnerships, and the facilitation of inclusive participatory processes.

4.a.2 GEF Activities With Potential Impact on Project

Several UNDP/GEF projects are currently under preparation or being implemented in other regions of the Russian Federation. Of particular direct relevance to this project, however, is the "Conservation and Sustainable Use of Wild Salmonid Diversity in Kamchatka" full size UNDP/GEF project whose implementation has recently commenced. A coordination plan for these two projects was developed at the request of the projects' Steering Committees. Particular identified linkages with that project that will be exploited include: strengthening of salmonid anti-poaching measures, institutional strengthening and capacity building in biodiversity conservation including at the community level, alternative livelihoods (SME support fund), increasing biodiversity awareness, sustainable financing through a joint Trust Fund, and improving the information base for biodiversity conservation through joint activities such as the monitoring of fish populations. Concrete collaboration instruments include: the Kamchatka Ecological Initiative, joint publication of a conservation bulletin, collaboration and joint planning between two working groups on indigenous people, and the Trust Fund. UNDP has also completed a PDF A for the Commander Islands project. The coordination and exchange of lessons and best practices will be ensured, in particular on PA management planning, alternative livelihoods solutions, community co-management and the raising of conservation awareness.

It should also be noted that the project provides a coherent unifying framework for the integration of a number of other related initiatives of other organizations. These include the work of WWF on NTFPs and community outreach, the work of WWF on the Bering Sea initiative, as well the initiatives of UNESCO and IUCN dealing with TEK and NTFPs. Close coordination will be ensured with the UNF-funded project on ecotourism in and around UNESCO WHSs in Kamchatka. This project is mainly focused on angling ecotourism and complements the PA ecotourism development programme designed within this UNDP/GEF project. While these are not GEF funded initiatives, they are related to and supportive of and integral to the project's thrust. Communication and coordination with these initiatives will be pursued throughout the life of this project to ensure the optimisation of synergy and the realization of efficiencies in their implementation.

4.b Consultation, Coordination and Collaboration Between IAs, and IAs and EAs

Same as point 4.a.2 above.

ANNEX B: LOGICAL FRAMEWORK

Project Strategy	Indicators[4]	Sources of Verification	Assumptions
Goal /Development Objective To secure the globally significant biodiversity values of the Kamchatka Peninsula.			
Immediate Objective To demonstrate approaches for sustainable and replicable conservation of biodiversity in four existing protected areas as a model for a sustainable system of protected areas in Kamchatka.	*Key impact indicators:* Independent evaluation indicates a decrease of identified threats in the four PAs by end of Year 4 Populations of species experiencing poaching pressure (bear, sheep, reindeer, salmon) have not decreased below baseline levels by Year 4 and may show an increase (over longer term than project) Lessons learned and best practices are being adopted and replicated by other PAs in Kamchatka and Russia within two years of project end	A report by independent experts New legislation and regulations Population surveys Replication plans and agreements	Political stability maintained Social and economic conditions remain stable Co-financing commitments are maintained National and regional level support is maintained
Outcome 1 **Protected area management capacity is strengthened**	*Key impact indicators:* By Year 4, number of illegal incidents reported per unit monitoring effort declines by 50% compared to year 1 Use of METT indicates measurable increase in management capacities of the four PAs by year 4	Number of infractions/man days METT data and scores	National and regional level support provided Collaboration among agencies and federal and regional governments in operations is forthcoming
Outputs 1.1 Essential infrastructure and equipment is acquired 1.2 PA Administration and staffing is raised to levels required for effective management, including training of staff 1.3 Biodiversity information and its use in decision-making is improved and monitoring programmes are instituted 1.4 Pollution at degraded sites is removed	*Complementary process indicators:* Essential PA operational requirements are satisfied by Year 3 PA staff number and skills increased above baseline by Year 3 Staff turnover rates decreased 50% over baseline by Year 3 PAs' management is based upon updated and reliable information by end of Year 3 Monitoring programmes operational	Procurement records Staffing levels and training records; skills assessment Staffing records Data bases and their use Results of monitoring programmes Field surveys	Personnel available Co-financing commitments maintained Management Plans are

[4] There are no baseline figures in the logframe given that the original information was incomplete and deficient in quality when the project began 2 years ago. The first two years (Phase I) have been spent systematically defining the baseline. By the start of Phase 2 – January 05 - the baseline information gathered during this period will have been codified and will then be used as a basis to judge accomplishments over the next 4 years. To date the project has collected and analysed available data and information regarding a series of indicator species identified or confirmed during Phase I. This data is currently being codified and recorded in the biodiversity databases created during Phase I. Some gaps still remain in the monitoring reports and baseline information. The Phase II project will contribute to improvement of the monitoring system and support field surveys. Local biodiversity experts will complete their work on the baseline indicators by the end of the 2004. The project will engage an international expert to ensure a state-of-the-art approach to this effort, and TORs are currently being finalized. A confirmed series of biodiversity indicators and baseline data is expected by the beginning of 2005 (by the time Phase II is to start).

1.5 New Management Plans and annual Operational Plans are prepared and implemented	Degraded site condition PAs' management is guided by Management Plans	Annual reports	endorsed
1.6 The legal and regulatory base of the PAs is improved to support conservation management	Supportive legislation and regulations have been passed and legal obstacles to effective biodiversity conservation are considered removed by Year 3 Regulatory changes for PA management made by Year 3	Independent legal evaluation and PA administrators	Legal and regulation reforms adopted
Outcome 2 **Local communities have adopted sustainable alternative livelihoods, abandoned unsustainable and illegal natural resource use and participate fully in conservation mechanisms**	*Key impact indicators:* Number of known poachers in adjacent communities decreased by 50% by end of Year 4 Monitoring of regeneration of important NTFP species (e.g. Golden root) indicates increase of 30% over baseline by Year 4 By Year 4, an increase of 20% over baseline of local population engaged in tourism service provision	Community surveys Surveys Community surveys	Villagers are motivated Local capacity and entrepreneurial spirit exists Conflicts can be resolved Information and incentives are effective
Outputs 2.1 Sustainable use of NTFPs in PAs is developed for economic benefit 2.2 Local populations are involved in tourism and PA protection 2.3 Traditional resource knowledge and uses are supported 2.4 Co-management and community based conservation mechanisms are established 2.5 Ecotourism promotion and marketing programme is implemented	*Complementary process indicators:* At least 2/3 of local residents engaged in sustainable NTFP harvesting and processing by Year 4 At least 2/3 of local people are involved in tourism and PA operations by Year 3 A majority of communities are practicing at least two forms of traditional sustainable resource by Year 2 Three Community Conservation Councils established by Year 2 At least three communities have instituted community monitoring programmes by Year 3 By Year 2, PA management decisions are made jointly with community members 50% decrease in average number of conflicts between PAs and communities from Year 1 to end of Year 3 By Year 4, at least 20 new sustainable biodiversity supporting enterprises have been established	Surveys and employment records Surveys and employment records Survey Functioning of Councils Results of monitoring programmes Records of decisions Stakeholder surveys Surveys	Communities supportive of programmes Local communities are involved in and monitor ecotourism activities, fair benefit sharing is instituted Part of ecotourism revenues reinvested into PAs sustainability Effective representation of stakeholders is attained Agreements can be reached with stakeholders Changes in attitudes occur Local capacities and entrepreneurial spirit exist
Outcome 3 **All stakeholders demonstrate increased awareness of biodiversity values, as well as willingness to change behaviour**	*Key impact indicators:* By Year 4, awareness among all stakeholders of PA functions and need for biodiversity conservation increased over 50% above baseline By Year 4, an increase of 50% over baseline coverage of biodiversity conservation issues in media Attendance of public environmental events increased by 50% over baseline by Year 3 *Complementary process indicators:* Awareness programmes operational in 4 schools by Year 2	Stakeholder surveys Records of publications and broadcasts Surveys School programming Programming records Records of events Records of broadcasts and	Stakeholders receptive to awareness campaign Media is involved and motivated Communication and education campaigns are effective

Outputs 3.1 Awareness raising programmes for schools are developed and implemented 3.2 Awareness raising programmes for PAs are developed and implemented 3.3 Public environmental events are held 3.4 Awareness raising programmes for society at large are developed and implemented	Awareness programmes operational in 4 PAs by Year 2 Holding of 8 public events by Year 4 Television programmes, radio broadcasts, print articles, project newsletter prepared and delivered	publications	
Outcome 4 **The Protected Areas of Kamchatka Oblast possess the means and mechanisms to achieve financial sustainability of operations**	*Key impact indicators:* KBCTF is fully capitalized and providing funding for biodiversity conservation in the PAs by start of Year 3 PA budgets supplemented by other non-budgetary sources of revenue by Year 3 Recurrent costs of PA management do not require additional donor support by Year 4 100% of additional staff salaries are paid for by the MNR and KOA by Year 4	Fund capitalization and record of disbursements PA budgets PA budgets Budget lines Surveys	Co-financing secured Local capacity exists to efficiently use SME Fund and community small grants facility Government budgets provide for additional staff
Outputs 4.1 The Small-Medium Enterprise Fund and Small Grants Programme continue to provide support for the development of alternative livelihoods for local communities and community based biodiversity conservation initiatives 4.2 The Kamchatka Biodiversity Conservation Trust Fund is established 4.3 PA revenue generating mechanisms are designed and institutionalised 4.4 Public-private partnerships supporting revenue generation and sustainability of the PAs are demonstrated	*Complementary process indicators:* SME Fund and grants programme operational and attracting greater clientele in targeted areas Fund operational (international and Russian branches capitalized) Budgets of PAs supplemented from new sources Budgets increased from baseline	Fund disbursement records and records of applications and grant/credit recipients Records of establishment Capitalization PA budgets PA budgets	User fees policy doesn't impose additional burden on local communities
Outcome 5 **Lessons learned and best practices identified in the four demonstration PAs are replicated in other PAs in the Kamchatka Peninsula, as well as in other PAs in Russia**	*Key impact indicators:* Management models from project replicated in at least two more PAs (federal and regional) by end of Year 4 PA management approaches and principles, including coordination mechanisms, applied to other PAs in Kamchatka and Russian Federation with specific reference to this project as the source of information Plans for and agreements to replicate lessons learned and best practices are adopted by the remaining PAs in Kamchatka Oblast, as well as other PAs in Russia	PA administrations Survey of applications from PA administrations Plans and agreements	National and regional authorities supportive of replicating best practices and lessons learned Institutional stability is realized
Outputs 5.1 Materials on best practices and lessons learned are prepared and distributed	*Complementary process indicators:* Materials prepared and distributed Holding of seminars	Record of material production Seminars and attendance records Ministerial and NGO publications	Capacity exists in other PAs to replicate best practices and lessons learned

5.2 Staff of other PAs and stakeholders exposed to best practices and lessons learned through seminars 5.3 Systemic nation-wide replication of project lessons and results through ministerial and NGO networks	Best practices and lessons of project replicated in other PAs in country Best practices and lessons on resources use introduced into Kamchatka sectoral policies	PA publications and management approaches Intersectoral dissemination meetings and seminars	

ANNEX C: LETTERS OF ENDORSEMENT

МИНИСТЕРСТВО ПРИРОДНЫХ РЕСУРСОВ РОССИЙСКОЙ ФЕДЕРАЦИИ (МПР России)

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01.09.2000 № ВС-24-47/6457

на № _____ от _____

Постоянному представителю
ПРООН в Российской Федерации

Г-ну Стефану Василеву

Уважаемый г-н Василев!

Министерство природных ресурсов Российской Федерации поддерживает проектное предложение по второй фазе проекта ПРООН/ГЭФ «Демонстрация устойчивого сохранения биологического разнообразия на примере четырех особо охраняемых природных территорий Камчатской области».

Уникальная ценность биологического разнообразия Камчатского полуострова и важность сохранения и устойчивого развития в регионе общепризнанны. В ходе реализации первой фазы проекта заложены основы сбалансированного подхода к сохранению биоразнообразия, увязанного с устойчивым социально-экономическим развитием региона, и эти результаты необходимо закрепить во второй фазе проекта.

С уважением,

В.Г. Степанков

Unofficial translation

Ministry of Natural Resources
of the Russian Federation

Deputy Minister

B.Gruzinskaya str., 4/6, Moscow
D-242, GSP-5, 123995
Tel: (095) 254-4800, fax: (095) 254-4310

1 September 2004 # BC-24-47/6454

To: Mr. Stefan Vassilev
UNDP Resident Representative
in the Russian Federation

Dear Mr. Vassilev!

The Ministry of Natural Resources of the Russian Federation supports the proposed UNDP/GEF project "Demonstrating sustainable conservation of biological diversity in four protected areas on Russia's Kamchatka peninsula. 2d Phase".

The unique value of the Kamchatka's biological diversity and the importance of conservation and sustainable development in the region are widely recognized. The 1st Phase of the project created the basis for the balanced approach towards biodiversity conservation and socio-economic development of the region. These results have to be strengthened and sustained during the second phase of this project.

Yours sincerely,

V.G. Stepankov

АДМИНИСТРАЦИЯ
КАМЧАТСКОЙ ОБЛАСТИ

УПРАВЛЕНИЕ
ПРИРОДНЫХ РЕСУРСОВ И
ОХРАНЫ ОКРУЖАЮЩЕЙ СРЕДЫ

683040, г. Петропавловск-Камчатский
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05.07.04 № 1053
На _____от_____

Постоянному Представителю
Программы Развития ООН

господину Стефану Василеву

Уважаемый господин Василев!

В 2004 г. закончилась первая фаза Проекта ПРООН/ГЭФ «Демонстрация устойчивого сохранения биологического разнообразия на примере четырех охраняемых территорий Камчатской области Российской Федерации». С большим удовлетворением отмечаем, что первая фаза Проекта Программы Развития ООН и Глобального Экологического Фонда успешно реализовалась в нашем регионе. В течение 2-х лет проведена значительная работа по усилению управленческих возможностей региональных природных парков, развитию их материальной базы, проведен ряд важных научно-исследовательских работ, повышен профессиональный уровень работников ООПТ, создан и успешно работает Фонд содействия малому и среднему бизнесу «Содружество», проводится активная работа по экологическому просвещению и образованию.

Администрация Камчатской области высоко оценивает создание в рамках Проекта устойчивого механизма сохранения биоразнообразия, оказание помощи коренным народам Камчатки в сохранении их многовековых традиций природопользования, усовершенствования системы управления ООПТ и создание дополнительных рабочих мест для местного населения.

Выражаем надежду на продолжение начатой работы в рамках второй фазы Проекта «Демонстрация устойчивого сохранения биологического разнообразия на примере четырех охраняемых территорий Камчатской области Российской Федерации». Уверены, что наши совместные усилия будут способствовать сохранению биоразнообразия Камчатки в интересах России и всего мира.

Заместитель губернатора
Камчатской области-
начальник Управления  В.И. Рыбак

Unofficial translation

Administration of the Kamchatka Oblast

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05.07.2004 №1053

To: Mr. Stefan Vasilyev
UNDP Official Representative

Dear Mr. Vasilev,

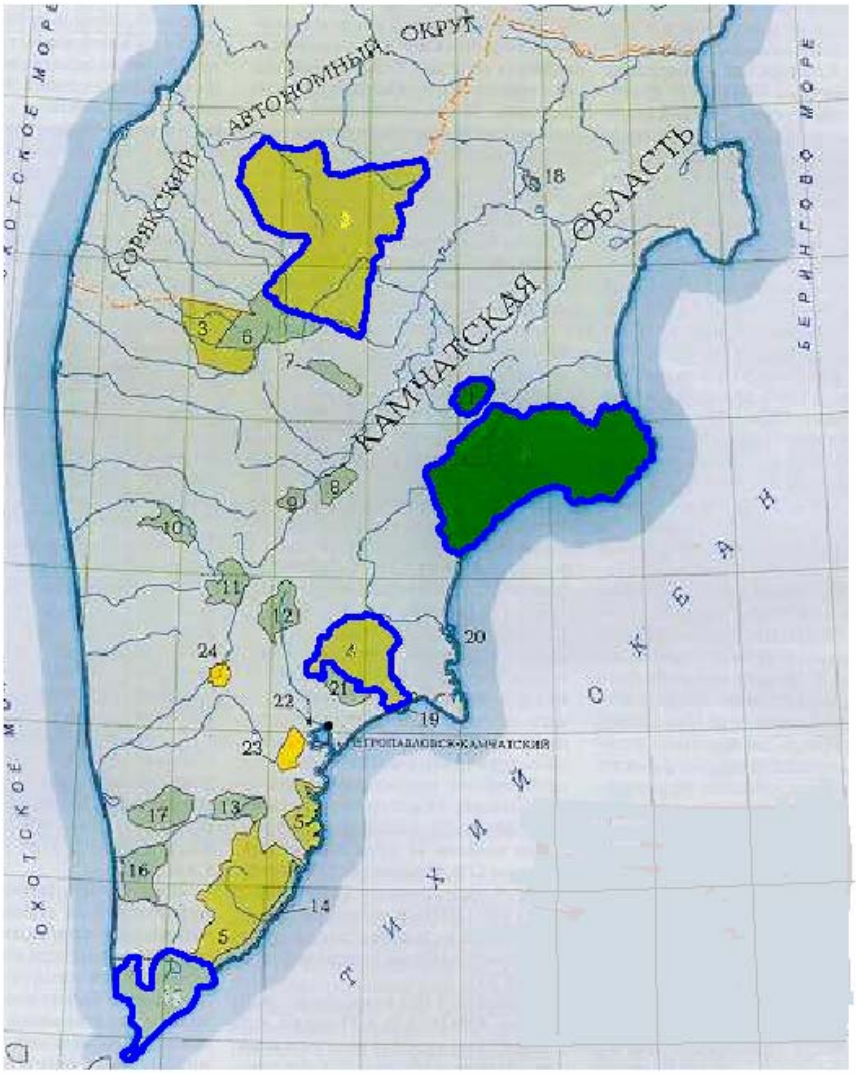
The first phase of the UNDP/GEF project "Demonstrating Sustainable Conservation of Biodiversity in Four Protected Areas of Russia's Kamchatka Oblast" was completed in 2004. With great pleasure we note that the first phase of the UNDP/GEF project was successfully implemented in our region. During the last two years considerable work has been done. This work contributed to strengthening management capacities of the regional nature parks and development of their material resources. Some important scientific researches were carried out and professional level of staff in protected areas was raised. The fund "Sodrujestvo" for supporting small and medium businesses was established and successfully functions now. Active work for environment education is going on.

Administration of the Kamchatka Oblast appreciates the creation of sustainable mechanism for biodiversity conservation in the framework of the project, support to indigenous people in preserving their centuries-old traditional use of natural resources, improvement of the management system in protected areas and creation of additional work places for local population.

We look forward to continue the work in the framework of the second phase of the project "Demonstrating Sustainable Conservation of Biodiversity in Four Protected Areas of Russia's Kamchatka Oblast". We are quite confident that our united efforts will promote the conservation of biodiversity of Kamchatka for the sake of Russia and the whole word.

V.I. Ribak
Deputy Governon of the Kamchatka Oblast

ANNEX D: MAP OF PROJECT SITES



ANNEX E: INCREMENTAL COST ANALYSIS

The Government of the Russian Federation is strongly committed to protecting and maintaining the country's rich biodiversity as evidenced by its undertaking of numerous important initiatives in the field of biodiversity conservation over the past decade. It is also committed to pursuing a policy of sustainable development. The conservation of biodiversity is a recognized cornerstone of the country's sustainable development agenda. The Russian Federation ratified the Convention on Biological Diversity in 1995 and adopted the National Biodiversity Conservation Strategy in 2001. The establishment and effective management of protected areas is a key tool within the strategy for the conservation of the country's biodiversity. Currently, the Government of the Russian Federation annually appropriates approximately US$ 0.350 m for biodiversity conservation management activities related to the four project sites. The Kamchatka Oblast Administration appropriates just over US$ 0.290 m annually for the same purposes, as well as for the support of indigenous peoples, environmental education, and the development of ecological tourism. Although these figures are grossly insufficient to provide for the required management effort, they nevertheless represent the MNR's and KOA's continued commitment to the protection of these areas. The limited but nevertheless continued financing of the areas' management needs is particularly striking given the current severe fiscal limitations and numerous competing priorities. Consequently, international financial assistance is being sought to offset the incremental costs associated with establishing an effective biodiversity conservation management regime for the four areas.

Goal or Development Objective

The project's goal or development objective is to help secure the globally significant biodiversity benefits of the Kamchatka Peninsula's protected areas. Its immediate objective is to demonstrate approaches for sustainable and replicable conservation of biodiversity in four different existing protected areas.

Baseline Scenario

The MNR and KOA are supporting the project's protected areas and will continue to support a range of activities associated with the PAs' management even in the absence of any external assistance. The projected continued appropriations, however, will be insufficient to cover the essential expenditures required to secure the areas' biodiversity benefits. Nevertheless, these activities provide a significant baseline that this project will build upon. The essential baseline activities will consist of the following:

Protected Area Administration and Management: The MNR supports the administration and management of the Kronotsky zapovednik and the South Kamchatka State Sanctuary. These expenditures are for maintaining a single administration for both sites, staff salaries and limited management functions in the sites. This represents approximately 10% of the required funding to maintain an effective management regime in the sites. The KOA supports the administration of its PAs, as well environmental protection, biodiversity conservation activities and some environmental monitoring. At present, the administration of Bystrinsky Nature Park consists of one individual, the director and now two rangers. No real on-site management capacity is present in this park, and it is severely limited in Nalychevo Nature Park. The administration of KSBR and SKSS supplement their budgetary allocations through some limited self-financing initiatives centred on tourism as well. Under this scenario, deficiencies and weaknesses will clearly remain and will be most pronounced in information and data management, planning functions, enforcement, monitoring, and working with local communities and visitors. Data would remain incomplete and its utility for planning and management would be restricted. Monitoring programmes would remain limited in scope and utility for management decision-making. There would be no investment in infrastructure such as accommodation for protection staff and visitor facilities. Enforcement would continue to be largely opportunistic and largely ineffective.

Forest Protection and Management: The MNR and KOA also expend funds on forest protection and management within the PAs. These expenditures are for forest protection staff, fire and disease control, as well as limited reforestation and research. Under this baseline scenario, deficiencies in forest ecosystem management and fire control, will remain.

Wildlife Protection and Management: The MNR also undertakes wildlife protection and management activities in the two federally administered PAs as does the KOA in its two nature parks. This involves inventorying of selected populations, and limited management activities. Poaching pressure on species such as bear, reindeer and snow sheep will likely increase with the limited baseline opportunities. Under this baseline scenario, weaknesses will remain in the management and conservation of biodiversity in the PAs.

Fisheries Conservation and Management: The federal fisheries management agency, Sevvostrybvod, undertakes fish population surveying, monitoring, enforcement, and habitat management within the four PAs. These limited activities, however, would not meet the requirements associated with expanded and necessarily more comprehensive monitoring of fisheries populations in the PAs, as well as effectively addressing the poaching pressures on fishery resources within the PAs.

Since forest, wildlife and fisheries conservation and management appropriations are expended within the four PAs, the total appropriation for the PA management baseline, therefore includes these figures. The total appropriation for PA management over the course the project's remaining timeline would be US$ 3,542,000.

Environmental Awareness and Education: The KOA provides limited support for environmental education and awareness raising activities. The NGO community has been increasingly active in raising environmental awareness but its own limited financing continues to limit the development and delivery of a broad awareness and education campaign within and outside of the PAs. Moreover, the NGO funding is sporadic and unpredictable, depending as it does on external sources of assistance.

Ecotourism Development: The KOA is very much interested in the development of tourism, and ecotourism to the PAs specifically, as an important constituent element of the local economy. The ecotourism potential of the PAs is recognized but the current economic conditions limit the pursuit of a tourism development strategy. Annual appropriations for ecotourism development are very limited.

Local Communities and Sustainable Livelihoods: The KOA also provides some assistance to help support traditional lifestyles of aboriginal peoples, including reindeer herding. This essentially relates to the aboriginal people within Bystrinsky Nature Park. Aside from this, other organizations, including WWF and WCS, have been supporting the development of alternative livelihoods.

In summary, the total estimated expenditures in baseline activities that are supportive of the objective and outcomes of the project over its remaining timeline amount to US$ 4,130,000. .

The GEF Alternative

The GEF Alternative will provide incremental technical and financial resources to ensure effective and sustainable biodiversity conservation in the four protected areas. The GEF Alternative delivers five primary outcomes: (i) The effectiveness of the four protected areas in conserving their biodiversity will be improved through strengthened institutional capacity for their governance and management; (ii) Sustainable alternative biodiversity-supporting economic development activities for local communities will be promoted so as to decrease pressure on the PAs' biodiversity and community involvement in conservation will be increased; (iii) Awareness of and support for biodiversity conservation and sustainable development will be heightened among all stakeholders; (iv) Sustainable protected area and biodiversity conservation supporting financing mechanisms will be established; and (v) Mechanisms for transferring and replicating best practices and lessons learned will be developed and implemented through ministerial and NGO channels throughout Kamchatka and the Russian Federation. The funding sources, aside from baseline expenditures, for the realization of the GEF Alternative include GEF (US$ 5,800,000), CIDA (US$ 1,835,000), IUCN (US$ 200,000), WCS (US$ 400,000), WWF (US$ 320,000) and other donors from the private sector in support of the Kamchatka Biodiversity Conservation Trust Fund (US$ 3,000, 000) totalling US$ 11,555,000.

The proposed GEF Alternative will build upon the ongoing baseline activities, and will leverage other sources of co-financing to complement GEF funds in order to realize the project's objectives. Project interventions under the GEF Alternative are nested in the following mutually supportive outcomes:

a) Strengthened Protected Area Management Capacity: The project will finance activities that will greatly improve the management capacity of the four PAs. The project will: provide for the preparation of new management plans for each of the PAs as well as annual operational plans, support the administrations of the two Nature Parks, provide for the recruitment of staff required to implement essential incremental management functions in the PAs and provide for key training of staff, supply essential operational equipment, supplies and limited key infrastructure for management functions such as enforcement and monitoring. The upgrading of staff qualifications through training, and improved collaboration between federal and regional level PAs will also be supported. These activities are complementary to the baseline and are all required to conserve the PAs` global biodiversity values.

The project will also improve the quality and comprehensiveness of the biodiversity information base, its management, and its utility for decision-making by PA administrators and managers. Activities to be supported include the completion and updating of key biodiversity inventories, development and implementation of biodiversity monitoring programmes in all of the PAs, and the establishment of shared databases. The focus will be on both ecological and social information pertaining to resource usage, and its essential integration in decision-making. The compilation and incorporation of traditional environmental knowledge will also receive attention. Essential monitoring equipment and infrastructure will also be provided for. These expenditures are complementary to the baseline costs and are required to secure the PAs` global biodiversity values.

The project will also finance activities intended to strengthen the legal and regulatory regime and policy base governing the PAs and their use. The focus of the activities will be on greatly strengthening anti-poaching measures, the promotion and regulation of sustainable uses of the PAs, the involvement of local communities in PA management, opportunities for increasing revenue retention by PAs, improvements in levels of cooperation among all of the PAs, and on the integration of PA conservation requirements into evolving multi-sectoral development planning. The cost of the activities would be financed by GEF (US$ 3,130,000), CIDA (US$ 65,000), WCS (US$ 400,000) and WWF (US$ 145,000).

b) Alternative Sustainable Livelihoods and Community Based Conservation: The project will continue to support a range of activities designed to provide for alternative sustainable livelihoods for communities in and adjacent to the PAs, and establish enabling mechanisms for the realization of the alternative economic opportunities. A NTFP management programme will be developed. The development of ecotourism opportunities, including home stays and guiding, will be supported at the community level. Community involvement in PA conservation management activities will also be advanced. Community Conservation Councils will be established, and local community members will be trained and engaged in resource monitoring and protection. A combined micro-credit/small grant facility will continue to operate to provide a source of funding. The cost of this project component would be financed by GEF (US$ 330,000), while co-financing has been secured from CIDA (US$ 405,000), and IUCN (US$ 200,000). GEF funding would be used to support the development of PA co-management with local populations.

c) Environmental Awareness and Advocacy: An environmental and biodiversity conservation awareness programme will continue to be developed and implemented. It will be for all sectors of civil society on the Kamchatka peninsula but will key on biodiversity values of the four PAs and will be targeted at local communities, PA administrators, managers and visitors. This project element will generate diffuse global benefits and is incremental to the ongoing baseline environmental education activities. The costs of this project component will be shared by GEF (US$ 450,000), CIDA (US$ 375,000), WWF (US$ 175,000)

d) Sustainable Financing Mechanisms: The Kamchatka Biodiversity Conservation Trust Fund will be implemented to contribute to the financing of essential recurrent operational costs of the four protected areas. It will be joint fund with the Salmonid Conservation UNDP/GEF project in Kamchatka. GEF funds (US$ 1,800,000) will be used to partly capitalize its PA targeted component, and US$ 3,000,000 will be provided through co-financing by donors from the private sector. The Fund's initial capital will be supplemented through instituted visitor fees, permit fees such as for ecotourism and filming, and penalties for regulation breaches. The Fund will be established so as to provide for recurrent PA expenditures starting before the completion of the project and for years beyond the

project's remaining timeline. The SME Fund/community small grants facility established during the project's first phase will continue to operate providing opportunities for local residents to lessen their dependence on biodiversity resources and also undertake important community level conservation activities. The geographic coverage of the facility will be expanded to include communities other than those only in Bystrinsky Nature Park. The SME Fund and community small grants programme will continue to be co- financed by CIDA to the sum of US$ 990,000.

e) Dissemination and Replication of Best Practices and Lessons Learned: Information on best practices and lessons learned from the project will be systematically compiled and disseminated using ministerial and NGO channels to other PAs in Kamchatka and throughout the Russian Federation. Publications and CDs will be prepared and seminars will also be held for PA administrators and staff, and other concerned stakeholders. The costs of this project component (US$ 90,000) will be provided for by GEF.

Incremental Costs and Benefits:

The incremental cost matrix that follows summarizes the domestic and global benefits resulting from the above project outcomes. GEF funds will support activities that generate long-term global benefits. Such benefits will be less tangible than the domestic benefits that will be co-financed.

The total sum of the GEF Alternative or full cost of the project for Phase 2 is estimated at US$ 15,685,000.

The difference between the GEF Alternative and the baseline amounts to **US$ 11,555,000** which represents the total incremental cost of securing sustainable global environmental benefits. Of this amount, the contribution from non-GEF sources in the form of co-financing amounts to **US$ 5,755,000**. The GEF funded portion of the increment amounts to **US$ 5,800,000.** .

Incremental Cost Matrix

Output	Cost Category	US$	Domestic Benefit	Global Benefit
1. Protected area management capacity is strengthened	Baseline (GoR, KOA)	3,542,000	Insufficient financial and human resources to protect the PAs' biodiversity values Deficiencies in information base and absence of ecosystem based monitoring undermines effective management Legal/regulatory base insufficient to regulate biodiversity over-exploitation and not conducive to development of alternative sources of PA financing Lack of cooperation between federal and regional PAs	Inability to effectively manage the PAs presents an on-going threat to the areas' biodiversity Effectiveness of PAs' management and their role in biodiversity conservation in the long-term is compromised Legal deficiencies compromise effectiveness of PAs as conservation instruments and constrain their development towards greater self-sustainability
	Alternative	7,252,000	Improved local PA management skills and progressive attainment of management objectives Effectiveness of information, its collection, management and use is enhanced Legal/regulatory base strengthened to effectively address current conservation and management requirements	Strengthening of the management capability in the PAs safeguards globally significant biodiversity values Management is based on relevant information and conservation of biodiversity is enhanced and made more effective
	Increment *Of which*: **Non-GEF** **GEF**	3,710,000 610,000 3,100,000		
2. Sustainable alternative livelihoods are promoted and community based conservation mechanisms are developed	Baseline (GOR, KOA)	263,000	Conservation objectives and needs of local populations not mutually supporting	Conservation objectives compromised through lack of local community involvement and support
	Alternative	1,188,000	Conservation and community development objectives are inter-dependent and mutually reinforcing, and are pursued concurrently	Pressures on globally significant biodiversity from local communities are eliminated and local communities actively participate in conservation management in the PAs
	Increment *Of which*: **Non-GEF** **GEF**	925,000 605,000 300,000		
3. Biodiversity awareness and advocacy is heightened	Baseline	325,000	Low appreciation of the need for conservation to achieve sustainable development	Environmental awareness remains relatively low and efforts at raising it are fragmented

among all stakeholders	Alternative	1,295,000	Increased appreciation of biodiversity values and the need for their conservation at all levels and among all stakeholders	Heightened awareness of biodiversity values among decision-makers, visitors and the general public establishes a strong constituency for long-term conservation of biodiversity
	Increment *Of which:* **Non-GEF** **GEF**	970,000 550,000 420,000		
4. Sustainable financing mechanisms are established to provide for PA recurrent costs and support of alternative livelihoods	Baseline	N/A	Funding mostly dependent on MNR and KOA budgets and NRC and KNPD appropriations are insufficient to meet essential management requirements	Appropriations have not kept up with growing requirements and there is no likelihood that this will change in the near -term No funding source for promoting alternative livelihoods to decrease pressures on biodiversity
	Alternative	5,790,000	Broadening of funding base and strengthening of financial support skills Local economic benefit accruing from support of alternative livelihoods	Mechanism for the long-term meeting of PA recurrent conservation management costs are provided for Pressures on globally significant biodiversity from local populations decreased
	Increment *Of which*: **Non-GEF** **GEF**	5,790,000 3,990,000 1,800,000		
5. Lessons learned and best practices are systematically identified and disseminated through ministerial and NGO channels throughout Kamchatka and the Russian Federation	Baseline	N/A	N/A	
	Alternative	90,000	The alternative replicates strategies for sustainable biodiversity conservation in other PAs in Kamchatka and the Russian Federation	The alternative permits the replication of strategies for sustainable conservation of globally significant biodiversity in the Russian Federation and other countries
	Increment *Of which*: **Non-GEF** **GEF**	90,000 0 90,000		
M&E	**GEF**	70,000		
Totals	Baseline	4,130,000		
	Alternative	15,685,000		
	Increment *Of which:* **Non-GEF** **GEF**	11,555,000 5,755,000 5,800,000		

ANNEX F: STAKEHOLDER PARTICIPATION

This project was originally designed through extension consultations and the direct participation and input of **all** stakeholders over a nine month PDF B development period. The PDF B project preparation grant was executed by UNDP-GEF and the Government of the Russian Federation. Co-funding from the MNR, the KOA, UNDP and WWF made an important contribution as well. The project development process directly involved the federal government at the national and regional levels, relevant branches of the regional Administration, non-governmental organizations, representatives of communities and indigenous peoples' organizations, academics, the research community, the mass media, and the public at large. Over 600 individuals took part in the project development process. Three meetings of the Steering Committee were held involving representatives of the federal Government, the Kamchatka Oblast Administration, Kamchatkan NGOs, indigenous peoples' representatives and UNDP. In addition, three well attended stakeholder meetings were conducted in Kamchatka. The administration and staff of the two federal PAs were directly involved throughout the project development process, as were representatives of the federal Forest Service, that now has also been absorbed by the MNR. The process also involved the Kamchatka Oblast Administration, including the Governor of Kamchatka Oblast and two vice-governors. All segments of the Administration, and the Kamchatka Nature Parks Directorate, the Hunting Management Agency, the fisheries management agency (Sevvostrybvod), and the academic and research community participated in and provided input into the project's development. Kamchatka based NGOs also took an active part and made valuable contributions to the project design.

The project development process and the implementation of Phase 1 was particularly sensitive to the views and aspirations of *local communities and indigenous people*. Specialized expertise was hired during project development to assess the conditions and needs of local communities. To this end, the project development team also thrice visited and had extensive discussions with community and indigenous peoples' organizations' representatives in all of the directly affected communities - Milkovo, Esso and Anavgai. In these consultations, it was particularly important to not only solicit the population's direct input but also to convey the implications of the project to their daily activities, both opportunities and potential changes to the norm. As a result, the project is widely supported, and indeed anticipated, by local communities and indigenous people.

The PDF B process likewise directly involved teams of regional experts in fulfilling the information gathering and analysis requirements. The information provided by the teams included that on: biodiversity status and threats; social and economic characteristics; legal and regulatory regime; indigenous people; environmental awareness and advocacy; and, alternative livelihoods.

The project development process and the project's Phase 1 implementation similarly brought together numerous other parties by providing a unifying and coherent framework for their particular mutually supporting initiatives. These parties include: UNESCO, WWF, CIDA, and WCS. Extensive consultations with these partners have resulted in mutual understanding and the development of a close and effective partnership in project implementation.

As a result of the extensive consultations undertaken and the direct participation of all stakeholders throughout the project development process and Phase 1 implementation, the project has attained high levels of support among all stakeholders. The objectives and implications of the project are clearly understood by all. The project brief was endorsed by the federal government and by the Kamchatka Oblast Administration.

ANNEX G: LETTERS OF CO-FINANCING SUPPORT

The letters are attached as a separate file to the project document.

ANNEX H: PROJECT PHASE 2 WORKPLAN

Outcome 1 **Protected area management effectiveness capacity is strengthened**	**Phase 2 Years and Quarters**																		
	1				**2**				**3**				**4**				**5**		
Output 1 Essential infrastructure and equipment are acquired																			
1.1.1 Construction of new and refurbishing of existing ranger stations																			
1.1.2 Planning and construction of essential visitor infrastructure (trails, campgrounds, waste facilities, viewing platforms, shelters etc.)																			
1.1.3 Establishment of training centre for PA staff and four visitor centres																			
1.1.4 Operational Plans' additional procurement needs for 4 PAs																			
1.1.5 PA Protection Service essential equipment requirements																			
1.1.6 Acquisition of fire fighting equipment																			
Output 2 PA staff capacity is improved																			
1.2.1 Increase of PA staff involved in biodiversity conservation																			
1.2.2 Development of training programmes for PA staff																			
1.2.3 Staff training using training centre																			
1.2.4 Development of international partnerships																			
Output 3 Information, and its management and use in decision-making is improved																			
1.3.1 Development and organization of monitoring programmes																			
1.3.2 Acquisition and set up of monitoring material requirements																			
1.3.3 Monitoring and reporting																			
1.3.4 Compilation of existing biodiversity information and data input																			
1.3.5 Acquisition and input of key missing biodiversity and socio-economic data																			
1.3.6 Acquisition, set up and use of GIS																			
1.3.7 Establishment of mechanisms for data sharing among 4 PAs and access to data for decision-makers																			
1.3.8 Preparation of annual State of Biodiversity reports for 4 PAs																			
Output 4 Sites degraded by pollution are cleaned up																			
1.4.1 Removal of waste from degraded sites in 4 PAs																			
Output 5 Annual Operational Plans and prepared Management Plans are updated																			
1.5.1 Preparation of annual Operational Plans																			
1.5.2 Preparation of second Management Plans for 4 PAs (2009-2013)																			
Output 6 Legislative and regulatory base is reformed to enable effective management																			

1.6.1 Working with governments on reforms to legislation																			
1.6.2 Working with governments on regulatory adjustments																			
1.6.3 Implementation of reforms to PA management																			
Outcome 2 Sustainable alternative livelihoods are promoted and community based conservation mechanisms are developed	**1**				**2**				**3**				**4**				**5**		
Output 1 Use of NTFPs in PAs is sustainable																			
2.1.1 Preparation of NTFP management plans																			
2.1.2 Training seminars on collection and preparation of NTFPs and support of craft schools and reindeer herding instruction																			
2.1.3 Support of local populations in commercial gathering and preparation of NTFPs in Bystrinsky rayon																			
2.1.4 Support of local populations in commercial gathering and preparation of NTFPs in Yelizovsky rayon																			
2.1.5 Marketing publications for NTFPs																			
Output 2 Involvement of local populations in tourism and PA biodiversity conservation																			
2.2.1 Education of local populations in business planning, tourism services, work as guides, home stays, museum work																			
2.2.2 Development of programmes for involving local populations in tourism and monitoring and protection functions in PAs according to PA Management Plans																			
2.2.3 Development and preparation of tourism advertising and marketing																			
Output 3 Traditional resource uses are supported																			
2.3.1 Traditional knowledge exchanges (trips)																			
2.3.2 Ongoing support of traditional ecological knowledge																			
2.3.3 Legal affirmation of exclusive right to land use for "Indigenous Minority Peoples of the North" organizations on territories of traditional resource use in Bystrinsky rayon																			
2.3.4 Consultations with stakeholders																			
Output 4 Organization of co-management and community based conservation of PAs																			
2.4.1 Establishment of Community Conservation Councils																			
2.4.2 Organization and holding of seminars on co-management and community based conservation																			
2.4.3 Ongoing support of work of Community Conservation Councils																			
Output 5 Ecotourism promotion and marketing programme implemented																			
2.5.1 Finalization of promotion and marketing programme and its coordination with that of the salmonid project in Kamchatka																			
2.5.2 Implementation of programme																			

Outcome 3 **Biodiversity awareness and advocacy is heightened among all stakeholders**	**1**				**2**				**3**				**4**				**5**			
Output 1 Environmental education in schools																				
3.1.1 Development and delivery of education programmes in schools and kindergartens																				
Output 2 Environmental education in PAs																				
3.2.1 Development and delivery of education programmes in PAs																				
3.2.2 Acquisition of materials and technical aids for 4 PA visitor centres																				
3.2.3 Refurbishing and equipping of KSBR Nature Museum																				
Output 3 Environmental awareness raising public events																				
3.3.1 Organization and delivery of annual spring ecological events																				
3.3.2 Organization and delivery of annual fall ecological festivals																				
Output 4 Public awareness raising programme																				
3.4.1 Support of project's information materials (project newspaper, radio spots, project Internet site)																				
3.4.2 Publication of Biodiversity Encyclopaedia for each of 4 PAs																				
3.4.3 Publication of annotated bibliographical reference on PAs' biodiversity																				
3.4.4 Development of video productions for television on each PA																				
3.4.5 Preparation of public outreach information materials on biodiversity conservation																				
Outcome 4 **Sustainable financing mechanisms are established and functioning**	**1**				**2**				**3**				**4**				**5**			
Output 1 Small-Medium Enterprise Fund and Small Grants Programme expanded and continue to provide support for alternative livelihoods and community based conservation initiatives																				
4.1.1 Make changes to documents of SME Fund to facilitate expansion of its activity																				
4.1.2 Refurbishing of additional offices for the Fund																				
4.1.3 Select additional Fund staff																				
4.1.4 Train new Fund staff in Fund procedures																				
4.1.5 Establish coordination mechanisms among Fund's offices																				
4.1.6 Granting of loans and grants																				
4.1.7 Monitoring and evaluation of Fund effectiveness																				
4.1.8 Develop and implement financial sustainability programme																				
4.1.9 Create website for Fund and maintain its currency																				
4.1.10 Use media to inform about the Fund																				
4.1.11 Establish information centres in Fund's offices																				
Output 2 Kamchatka Biodiversity Conservation Trust Fund established																				
4.2.1 Conclude fundraising to raise US $3 million to obtain GEF contribution to Fund																				

4.2 2 GEF capitalization of Fund																				
4.2.3 Publicize establishment and function of Fund																				
4.2.4 Conduct annual meetings of Fund Board of Directors and evaluate Fund manager's investment activities																				
4.2.5 Continued fundraising to increase capital of international fund																				
4.2.6 Evaluate effectiveness of international Fund																				
4.2.7 Fundraising to capitalize the Russian branch of the Fund																				
4.2.8 Refurbish office for Russian branch of Fund																				
4.2.9 Select and train personnel of Russian branch of Fund																				
4.2.10 Provide information on proper preparation of applications																				
4.2.11 Hold annual meetings of Consultative Committee of Fund																				
4.2.12 Hold annual meetings of Board of Directors of Fund																				
4.2.13 Publicize Fund operations in mass media																				
4.2.14 Develop partnerships and experience exchange with international Trust Funds																				
4.2.15 Monitoring and evaluation of Fund's effectiveness																				
Output 4.3 PA revenue generating mechanisms are designed and institutionalised																				
4.3.1 Mechanisms defined and endorsed by government																				
4.3.2 Mechanisms implemented																				
Output 4.4 Public-private partnerships supporting revenue generation and sustainability of the PAs are demonstrated																				
4.4.1 PA supportive partnerships are established																				
4.4.2 Publicity of partnerships																				
Outcome 5 Lessons learned and best practices are systematically identified and disseminated through ministerial and NGO channels throughout Kamchatka and the Russian Federation	**1**				**2**				**3**				**4**				**5**			
Output 1 Materials on best practices and lessons learned are prepared for distribution																				
5.1.1 Preparation of compendium on best practices and lessons learned (hard copy and CD)																				
5.1.2 Publication and distribution of compendium																				
Output 2 Staff of other PAs and stakeholders are exposed to best practices and lessons learned																				
5.2.1 Organization of seminars on best practices and lessons learned																				
5.2.2 Conduct of seminars on best practices and lessons learned for staff of other PAs and other stakeholders using training centre																				
Output 3 Systemic nation-wide replication of project lessons and results through ministerial and NGO networks																				
5.3.1 Preparation of government documentation and its distribution																				
5.3.2 Preparation of information by NGOs and its distribution																				

ANNEX I: TERMS OF REFERENCE

Terms of Reference

Project Steering Committee (PSC)

Duration: For five years

Background:
The Project will have a Project Steering Committee to provide overall guidance and support to project implementation activities. The Project Steering Committee will be comprised of representatives of the MNR (Project Director and PSC Chairman), the Kamchatka Natural Resources Committee, the Kamchatka Oblast Administration, the Kamchatka Institute of Geography, Sevvostrybvod, the UNDP, the indigenous population, WWF (Russia Programme Office), IUCN (CIS Office), CIDA, and Kamchatka NGOs. The PSC will meet the first month after Phase 2 commencement, and every six months in subsequent years at the call of the PSC Chairman to review the project and set major policy and implementation directions. The majority of meetings, and certainly the first one, will be in Petropavlovsk-Kamchatskyi. If required, an occasional meeting may be convened in Moscow.

More specifically, the PSC shall:

- Assume supervisory responsibility for the Project;
- Provide general guidance and direction to the Project;
- Assist in identifying and allocating Project support for activities consistent with Project objectives;
- Annually review and assess the progress of the Project and its components;
- Annually review and approve the work plan and updated budgets of the Project and its activities;
- Provide strategic direction on the work plan;
- Provide guidance to the PM in coordinating and managing the Project and its activities;
- Create mechanisms for interaction with NGOs and other stakeholders; and,
- Continue to seek additional funding to support the outputs and activities of the Project.

In addition to the above, the PSC members shall serve with UNDP representatives on a selection committee for the appointment of the Project Manager.

Terms of Reference
National Project Director (NPD)

The NPD is a state employee designated by the National Executing Agency and entrusted with the overall guidance and coordination of the project's implementation. It is an unpaid position covered by the Government's in-kind contribution to the project. The NPD is accountable to the National Executing Agency and UNDP for the achievement of the project's outcomes and production of the expected outputs, the appropriate use of the project resources provided by GEF and other donors, and the coordination of the UNDP/GEF project with other programmes and projects implemented in the Russian Federation in the area of biodiversity conservation.

In particular, the NDP will:

- approve project work plans, budget revisions and, if necessary, project revisions;
- chair the Project Steering Committee;
- in consultations with UNDP, assign implementing agencies for the project components and coordinate their work (through the project manager);
- ensure that Russian legislation, rules and procedures are fully met in the course of the project's implementation;
- approve terms of references, selection of project staff and reports produced by the project manager and the key experts/contractors;
- approve procurement actions;
- certify financial reports including reports on advances and reports on the annual disbursements;
- approve/certify project monitoring reports (APRs), audit reports evaluation reports;
- facilitate liaison and cooperation with the federal Government authorities in the course of the project's implementation;
- report to the National Executing Agency, UNDP/GEF and PSC on the use of the project resources and achievement of the project outputs.

The work of the NPD will be supported by the Project Manager and a Moscow-based programme officer holding UNDP contracts under the project. The NPD can partially delegate his/her responsibilities to the Project Manager or the Moscow-based programme officer unless it hampers smooth implementation of the project.

Terms of Reference
Project Manager (PM)

Location: Petropavlovsk-Kamchatskyi, Kamchatka, with travel in the project region as deemed necessary, and travel to other locations consistent with these Terms of Reference.

Project Purpose:
The long-term objective of the project is to undertake the array of priority measures identified in the Project Document in conjunction with the ongoing activities of the participating country's federal Ministries and agencies, the Oblast Administration and regional organizations, donors, NGOs, and all other stakeholders. Major outputs will include provision of project coordination and support through the establishment and supervision of Working Teams, and the identification and provision of resources for effective and timely project implementation. Other outputs include creating mechanisms for, and steps to be undertaken, to effect sustainable management and use of project resources, and support to recruit new, additional donors and increase the level of co-financing during the life of the project and increased funding for post-project programs and activities.

General Responsibilities:
Under the guidance of the National Project Director the PM shall be responsible for the overall daily coordination of all aspects of the GEF Project. He/she shall liase directly with designated officials of the MNR and KOA, the UNDP, the MNR, the KOA, existing and potential additional project donors, the National Focal Point, and others as deemed appropriate and necessary by the PSC or by the PM him/herself. The budget and associated work plan will provide guidance on the day-to-day implementation of the approved Project Document and on the integration of the various donor-funded complementary initiatives. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project. He/she will provide overall supervision for all project staff.

Specific Duties
The PM will have the following specific duties:

- Manage the Project Management Unit (PMU), its staff and budget;
- Prepare an Annual Work Plan on the basis of the Project Document, under the general supervision of the Project Steering Committee and in close consultation and coordination with the National Focal Point, GEF partners and relevant donors;
- Coordinate, monitor and be responsible to the PSC for the implementation of the Work Plan;
- Ensure consistency among the various program elements and related activities provided or funded by other donors;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Working Teams;
- Coordinate and oversee preparation of the substantive and operational reports from the Project;
- Foster and establish links with other related GEF programs and, where appropriate, with other relevant regional programs;
- Be an ex-officio member of the PSC and be responsible for the preparation, organization, and follow-up necessary to the effective conduct of PSC business; and
- Submit quarterly reports of relevant project progress and problems to the PSC.

Qualifications:

- preferably a degree in Protected Area Management, Biodiversity Conservation, or a directly related field (e.g. wildlife and fisheries management, natural resource management, natural resource economics, etc.);
- extensive experience in fields related to the assignment. At least six years experience as a senior project manager.
- very well developed inter-personal, communication and negotiating skills;
- familiarity with the goals and procedures of international organizations strongly preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current and future potential additional donors);
- well developed English speaking and writing capability;
- previous work experience in the region on issues directly related to the project;
- ability and willingness to travel; and,
- demonstrable skills in information technology (word processing, spread sheets, GIS applications).

Reporting requirements:

The PM will submit quarter progress reports to the National Project Director and the UNDP/GEF Programme Coordinator in Moscow. The PM will be also responsible for the preparation of the Annual Project Report and will provide his/her input to the annual GEF Project Implementation Review.

Terms of Reference

Deputy Project Manager, Kamchatka Project Office

Location: Petropavlovsk-Kamchatskyi, Kamchatka

General Description:

Under the supervision of the PM, the Deputy Project Officer (DPO) will:

- Manage the day-to-day operations of the Project Office, particularly with respect to the provision of technical services and staff support;
- With additional contractual support as necessary, assure that necessary financial, procurement, disbursement and personnel matters are effectively addressed;
- Prepare internal and external correspondence for the Project Office, maintain files and assist in the preparation of documentation for meetings;
- Co-ordinate and assist in travel arrangements of project personnel;
- Assist in the preparation of press releases, statements and speeches on the project's activities;
- Undertake such other duties as may be assigned by the PM.

Skills and Experience Required:

- University education preferred (equivalent experience considered).
- Several years' experience of work with international organizations/agencies, governmental offices, research or training organizations.
- Proficiency in English (speaking and writing).
- Demonstrable skills in information technology e.g. word processing, spreadsheet preparation, etc.
- Strongly developed inter-personal skills
- Reliability, initiative, thoroughness and attention to detail.
- Ability to work under general guidance or independently, and to multi-task.
- Ability to work under pressure
- Willingness to work substantial periods of overtime often at short notice.

Terms of Reference
Programme Support Officers (2), Moscow Support Unit

Location: Moscow

General Description:

Under the supervision of the PM and direct guidance of the NPD, the Programme Officers will:

- Manage the day-to-day operations of the Moscow Project Support Unit, particularly with respect to the provision of coordination with the NPD and PSC, the MNR, federal agencies, and the Moscow based participating NGOs and donor community;
- Provide technical and administrative support to the NPD with regard to project implementation;
- Liase with UNDP-Moscow and ensure smooth information sharing among PM, NPD and UNDP.
- Prepare internal and external correspondence for the Project Support Unit, maintain files and assist in the preparation of documentation for meetings in Moscow;
- Undertake such other duties as may be assigned by the NPD and PM.

Skills and Experience Required:

- Graduate university education preferred (equivalent experience considered).
- Several years' experience of work with international organizations/agencies, governmental offices, research or training organizations.
- Proficiency in English (speaking and writing).
- Demonstrable skills in information technology e.g. word processing, spreadsheet preparation, etc.
- Strongly developed inter-personal skills
- Reliability, initiative, thoroughness and attention to detail.
- Ability to work under general guidance or independently, and to multi-task.
- Ability to work under pressure
- Willingness to work substantial periods of overtime and often at short notice.

Terms of Reference
Working Teams

Duration: Three Working Teams will be employed for the duration of the project.

Background/Purpose:
Project activities will continue to be coordinated and guided by Working Teams. The purpose of the Working Teams is to provide the PM with the best possible day-to-day advice and information on topics that are key to the implementation of the Project. The nomination of Working Team members will be made by the PM following consultation with each of the Implementing Agents. The membership of the Working Teams will be approved by the PSC. Only Working Team Leaders will be full-time Project staff. Working Teams will be formed to:

1. Assist the PM in guiding the implementation of the activities identified in the Project Document.
2. Ensure effective integration with related existing projects and activities undertaken by the federal government and Oblast Administration, bilateral aid programs, researchers, NGOs and private enterprises.
3. Assist in the development of terms of reference to contract out specified project activities.

In all cases Working Teams shall, as part of their duties:

- respond to requests for advice from the PSC and PM, and prepare proposals for the PM's consideration at their own initiative;
- include and involve experts familiar with the issues being addressed on an as required basis;
- work closely with other experts, bodies, institutions, NGOs and other interests as they, or the PM, deem necessary; and,
- involve relevant NGOs and other stakeholders as deemed necessary as a means of improving public participation and awareness in all of the focal areas they cover.

Each Working Team shall make best use of existing expertise and institutional capacity within the region. Working Team work plans will be prepared by the Team Leaders, and will be approved on an annual basis by, initially, the PSC, and then the PM. Each Working Team may request assistance from, or assign specific tasks to, any institution or expert that it considers appropriate on the basis of established UNDP contracting procedures.

Working Teams will liase with each other and joint groups may be set up from time-to-time to effectively address cross-cutting issues.

The Working Teams will be:

1. The Working Team on Protected Areas Management

This Working Team will continue to coordinate and provide guidance for the implementation of project activities pertaining to strengthening the management capacity of the four PAs. This will entail undertaking all activities under Outcome 1. This Team will be composed of two tightly interacting sub-groups. One sub-group will be responsible for activities pertaining to the federally administered PAs - SKSS and KSBR. The other sub-group will be responsible for activities related to the Oblast level PAs - NNP and BNP. The Team will collaborate with federal, regional and international institutions, governmental and non-governmental bodies and organizations, local communities, and the private sector.

The work of this Working Team will be coordinated by a Team Leader, who will be a project staff member, and who shall report to the Project Manager.

2. The Working Team on Alternative Livelihoods and Community Based Conservation

This Working Team will continue to co-ordinate and provide guidance for the implementation of project activities pertaining to the development of alternative livelihoods for local communities, and those promoting community involvement in biodiversity conservation and management of the PAs. This will entail undertaking all activities under project Outcome 2.

The work of this Working Team will be coordinated by a Team Leader, who will be a project staff member, and who shall report to the Project Manager.

3. The Working Team on Biodiversity Conservation Awareness and Advocacy

This Working Team will continue to co-ordinate and provide guidance for the implementation of project activities aimed at strengthening and promoting the public awareness of biodiversity conservation values and advocacy in support of biodiversity conservation. This will entail the undertaking of all activities under project Outcome 3.

The work performed by this Working Team will be coordinated by a Team Leader who will be a project staff member, and who shall report to the Project Manager.

Terms of Reference
Working Team on Protected Areas Management
Working Team Leader

Location: Petropavlovsk-Kamchatskyi, Kamchatka, with travel in the project region as deemed necessary, and travel to other locations consistent with these Terms of Reference.

Background: This Working Team will coordinate and provide guidance for the implementation of project activities pertaining to strengthening the management capacity of the four PAs. This will entail undertaking all activities listed under Outcome 1. This Team will be composed of two tightly interacting sub-groups. One sub-group will be responsible for activities pertaining to the federally administered PAs - SKSS and KSBR. The other sub-group will be responsible for activities related to the Oblast level PAs - NNP and BNP.

The work of this Working Team will be coordinated by a Team Leader, who will be a full-time Project staff member, and who shall report to the Project Manager. The Team Leader will collaborate with federal, regional and international institutions, governmental and non-governmental bodies and organizations, local communities, and the private sector. He/she will also maintain close contact with the other two project Working Team Leaders.

General Responsibilities:
The Team Leader shall be responsible for the overall daily coordination and timely implementation of all activities listed under Project Outcome 1. With the knowledge and approval of the PM, he/she shall liase with designated officials of the MNR and KOA, the UNDP, the MNR, PA administrations and staff, indigenous peoples' organizations, NGOs, researchers, local community leaders, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Working Team work plan will provide guidance on the day-to-day implementation of the approved Project Document. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall supervision for all Working Team members.

Specific Duties
The Team Leader will have the following specific duties:

- Prepare an Annual Work Plan for the Working Team on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Working Team leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the Work Plan;
- Ensure consistency among the various project component elements and related activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Working Team;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports from the Working Team;
- Foster and establish links with other relevant regional programs as deemed appropriate; and
- Submit quarterly reports of relevant Working Team progress and problems to the PM.

Qualifications:

- degree in Protected Area Management, Biodiversity Conservation, or a directly related field (e.g. ecology, wildlife and fisheries management, natural resource management, etc.);
- experience in fields related to the assignment. At least four years experience as a project manager or PA manager/administrator.
- well developed leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;
- familiarity with the goals and procedures of international organizations strongly preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current and future potential additional donors);
- English speaking and writing capability;
- previous work experience in the region on issues related to the project;
- ability and willingness to travel; and,
- demonstrable skills in information technology (word processing, spread sheets, GIS applications).

Reporting requirement:

The Team Leader will report to the PM on a regular basis concerning implementation of Outcome 1 of the project. In doing so, the Team Leader will provide quarterly and annual operational reports, as well as other reporting as requested by the PM.

Terms of Reference
Working Team on Alternative Livelihoods and Community Based Conservation
Working Team Leader

Location: Petropavlovsk-Kamchatskyi, Kamchatka, with travel in the project region as deemed necessary, and travel to other locations consistent with these Terms of Reference.

Background: This Working Team will coordinate and provide guidance for the implementation of project activities pertaining to the development of alternative livelihoods and strengthening the involvement of community members in the management of the PAs and the conservation of their biodiversity values. This will entail undertaking all activities listed under Project Outcome 2.

The work of this Working Team will be coordinated by a Team Leader, who will be a full-time Project staff member, and who shall report to the Project Manager. The Working Team Leader will collaborate with federal, regional and international institutions, governmental and non-governmental bodies and organizations, local communities, and the private sector. He/she will also maintain close contact with the other two project Working Team Leaders.

General Responsibilities:
The Team Leader shall be responsible for the overall daily coordination and timely implementation of all activities listed under Outcome 2 of the Project. With the knowledge and approval of the PM, he/she shall liase with designated officials of the MNR and KOA, the UNDP, the MNR, PA administrations and staff, indigenous peoples' organizations, NGOs, researchers, local community leaders, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Working Team work plan will provide guidance on the day-to-day implementation of the approved Project Document, and specifically Outcome 2. He/she shall be responsible for the delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall supervision for all Working Team members.

Specific Duties
The Team Leader will have the following specific duties:

- Prepare an Annual Work Plan for the Working Team on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Working Team leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the Work Plan;
- Ensure consistency among the various elements and related activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Working Team;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports from the Working Team;
- Foster and establish links with other relevant regional programs as deemed appropriate; and
- Submit quarterly reports of relevant Working Team progress and problems to the PM.

Qualifications:

- degree in community economic development, regional development or a directly related field (e.g. natural resource economics etc.);
- experience in fields related to the assignment. At least four years experience as a project manager;
- well developed leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;
- familiarity with the goals and procedures of international organizations strongly preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current and future potential additional donors);
- English speaking and writing capability;
- previous extensive work experience in the region on issues related to the project;
- extensive knowledge of local socio-economic conditions and the aspirations of indigenous peoples;
- direct experience in the development of economic opportunities at the community level
- ability and willingness to travel; and,
- demonstrable skills in information technology (word processing, spread sheets)

Reporting requirement:

Team Leader will report to the PM on the regular basis concerning implementation of Outcome 2 of the project. In doing so, the Team Leader will provide quarterly and annual operational reports, as well as other reporting as requested by the PM.

Terms of Reference
Working Team on Biodiversity Conservation Awareness and Advocacy
Working Team Leader

Location: Petropavlovsk-Kamchatskyi, Kamchatka, with travel in the project region as deemed necessary, and travel to other locations consistent with these Terms of Reference.

Background: This Working Team will be established to coordinate and provide guidance for the implementation of project activities pertaining to improving the level of biodiversity conservation awareness of visitors, as well as staff in the four PAs, and government administrations and civil society at large. It is also established to strengthen advocacy for biodiversity conservation. This will entail undertaking all activities listed under Project Outcome 3.

The work of this Working Team will be coordinated by a Team Leader, who will be a full-time Project staff member, and who shall report to the Project Manager. The Working Team Leader will collaborate with federal, regional and international institutions and organizations, governmental and non-governmental bodies and organizations, local communities, and the private sector. He/she will also maintain close contact with the other two project Working Team Leaders.

General Responsibilities:
The Team Leader shall be responsible for the overall daily coordination and timely implementation of all activities listed under Outcome 3 of the Project. With the knowledge and approval of the PM, he/she shall liase with designated officials of the MNR and KOA, the UNDP, the MNR, PA administrations and staff, indigenous peoples' organizations, NGOs, researchers, local community leaders, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Working Team work plan will provide guidance on the day-to-day implementation of the approved Project Document. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall supervision for all Working Team members.

Specific Duties
The Team Leader will have the following specific duties:

- Prepare an Annual Work Plan for the Working Team on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Working Team leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the Work Plan;
- Ensure consistency among the various component elements and related activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Working Team;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the substantive and operational reports from the Working Team;
- Foster and establish links with other relevant regional programs as deemed appropriate; and
- Submit quarterly reports of relevant Working Team progress and problems to the PM.

Qualifications:

- degree in environmental education, communication, or a directly related field (e.g. education programme development, media, public relations, natural resource management, etc.);
- extensive experience in fields related to the assignment. At least four years experience as a project manager or environmental educator.
- outstanding leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;
- familiarity with the goals and procedures of international organizations strongly preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current and future potential additional donors);
- English speaking and writing capability;
- previous work experience in the region on issues related to the project;
- proven experience in the development of environmental education materials, programmes and curricula;
- extensive knowledge of the media in the region;
- ability and willingness to travel; and,
- demonstrable skills in the use of communication technology

Reporting requirement:

Team Leader will report to the PM on a regular basis concerning the implementation of the Outcome 3 of the project. In doing so, the Team Leader will provide quarterly and annual operational reports, as well as other reporting as requested by the PM.

Terms of Reference
Sustainable Financing Mechanisms Coordinator

Location: Petropavlovsk-Kamchatskyi, Kamchatka, with travel in the project region as deemed necessary, and travel to other locations consistent with these Terms of Reference.

Background: This individual will coordinate and provide guidance for the implementation of project activities pertaining to strengthening the financing capacity of the four PAs. This will entail undertaking all activities listed under Project Outcome 4.

The Coordinator will be a full-time Project staff member, and shall report to the Project Manager. The specialist will collaborate with federal, regional and international institutions and organizations, governmental and non-governmental bodies and organizations, local communities, and the private sector. He/she will also maintain close contact with the three project Working Team Leaders.

General Responsibilities:
The Coordinator shall be responsible for the overall daily coordination and timely implementation of all activities listed under Outcome 4 of the Project. With the knowledge and approval of the PM, he/she shall liase with designated officials of the MNR and KOA, the UNDP, the MNR, PA administrations and staff, indigenous peoples' organizations, NGOs, researchers, local community leaders, the private sector and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated project work plan will provide guidance on the day-to-day implementation of the approved Project Document. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction.

Specific Duties
The Coordinator will have the following specific duties:

- Prepare an Annual Work Plan for on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Working Team leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the Work Plan;
- Ensure consistency among the various component elements and related activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under Outcome 4;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the substantive and operational reports;
- Foster and establish links with other relevant regional programs as deemed appropriate; and
- Submit quarterly reports on progress and problems to the PM.
-

Qualifications:

- degree in finance or a directly related field (e.g. environmental economics and law, etc.);
- experience in fields related to the assignment. At least four experience as a project manager or fund manager.
- well developed leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;
- familiarity with the objectives of the Project and the status and needs of the PAs;

- familiarity with the goals and procedures of international organizations strongly preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current and future potential additional donors);
- English speaking and writing capability;
- proven experience in the development of sustainable financing mechanisms
- extensive knowledge of financial legislation in the Russian Federation and region;
- knowledge of the banking system in the Russian Federation and the region;
- ability and willingness to travel; and,
- innovative thinking.

Reporting requirement:

The Coordinator will report to the PM on a regular basis concerning implementation of Outcome 4 of the Project. In doing so, the Coordinator will provide quarterly and annual operational reports, as well as other reporting as requested by the PM.

Additional Terms of Reference

For Phase 2, 7 additional positions are essential to conduct the increasing work in an efficient manner and to achieve the project's expected outcomes. As Phase 1 indicated clearly, much work was done in a timely and effective manner to achieve the expected outputs but the workload on project staff was simply unjustified and cannot be repeated in Phase 2 when even more activities have to be implemented and supervised.

The additional key positions were identified as being essential for effective implementation in Phase 2 include the following:

For the Project Manager and the PIU

- Training coordinator

For Working Team 1 – Protected Areas Management

- Team Leader assistant
- GIS specialist
- Monitoring and data management specialist (2 years)
- PA staff development specialist (2 years)

For Working Team 3 – Biodiversity Conservation Awareness and Advocacy

- Team Leader assistant
- Awareness raising specialist

The Project Manager and individual Team Leaders will prepare the Terms of Reference for these positions at the earliest opportunity prior to commencement of Phase 2 implementation to ensure a smooth transition.

Abbreviated Terms of Reference
Short and Long Term National Consultants

National Consultants, for both short and longer-term assignments, will be recruited from qualified candidates at the national and regional levels. National Consultants will play an important role in project implementation so that the project remains country-driven, and local and national capacities are enhanced.

National Consultants will be recruited, as available, to undertake project work in the following areas of required expertise:

- Protected Area Management
- Biodiversity Assessments
- Environmental Awareness and Biodiversity Conservation Education
- Protected Area Visitor Programming
- Community Involvement
- Indigenous peoples' resource management
- Traditional environmental knowledge
- Non-timber Forest Products
- Environmental and Ecosystem Monitoring
- Legislation and Legal Capacity Building
- Financing Mechanisms
- Training in Protected Area Management and Visitor Programming
- Other areas as may be deemed necessary by the PSC and PM

The more detailed Terms of References for each required consultancy will be prepared by the PM.

Abbreviated Terms of Reference
Short and Long Term International Consultants

International Consultants, for both short and longer term assignments, will be recruited from qualified candidates to assist in the delivery and implementation of activities for which domestic expertise is lacking or unavailable. Short-term international consultants will provide technical input to specific activities of the project, act as resource persons, and give methodological guidance in organizing meetings and workshops. At the request of the Executing Agency, international consulting expertise will also be used to assist in project supervision and monitoring and evaluation.

International Consultants will be recruited to assist in the following areas:

- Establishment and management of the Kamchatka Biodiversity Conservation Trust Fund
- Supervision and evaluation of the SME micro-credit facility
- Development of small business enterprises and their management
- Training of protected area staff in selected aspects of protected area management and operations
- Other areas as may be deemed necessary by the PSC, PD or PM

The more detailed Terms of References for each consultancy will be prepared by the PM.

Terms of Reference
Project Evaluation

The project will undergo three formal and independent evaluations. The first evaluation will be conducted towards the completion of the first stage (end of year 2, q.3). This evaluation will assess progress in achieving the expected results by that time, identify any difficulties in project implementation and their causes, and recommend corrective courses of action. Effective action to rectify any identified issues hindering implementation will be a requirement prior to determining whether implementation will proceed to the next stage. The second evaluation will be conducted towards the completion of the second implementation phase (year 4, q. 3). The third evaluation will be scheduled upon the completion of the project. The focus of the last evaluation will be on the effectiveness of the overall project in attaining its objectives, and on extracting valuable lessons for future application.

Project performance will be measured based on the quantitative and qualitative indicators defined in the Logical Framework (Annex A).

The Evaluation Expert/Team should also assess:

(a) Relevance of the project (approach, objectives, modalities of implementation, etc.) with regard to the prevailing context;
(b) Results with regard to the indicators of progress;
(c) Effectiveness of the approach being used to produce these results;
(d) Efficiency of project management, including the delivery of inputs in terms of quality, quantity and timeliness; and the monitoring system employed;
(e) Transfer of capacity to the national institutions;
(f) Views of the direct beneficiaries on the outcomes and on the consultative process employed for the project.

Particular attention should be paid to assessment of the following issues in the context of the national execution modality of the project:

The **impact** should be assessed on:
(a) The assisted institution and its staff;
(b) End-users including specific groups;

The s**ustainability** of the results needs to be reviewed in light of the following considerations:
(a) Commitment of the host government to the project targets
(b) Involvement of the local organizations (participatory process)
(c) Management and organizational factors
(d) Funding
(f) Human resources development

The Evaluation Expert/Team should inspect the following documents:
- the Project Document;
- project files;
- technical reports;
- mission reports;
- Monitoring visit reports;
- Annual Project Reports;
- TPR reports;

- PIRs; and other relevant documents

Basing on the analysis of the above documentation as well as on interviews with the project personnel, direct and indirect project beneficiaries and project stakeholders Evaluation expert should provide fair assessment of the project implementation and present his/her findings and recommendations in a report.

Reporting: The Evaluation expert/team will be required to submit the following documents to UNDP and the national Executing Agency:

- Project Evaluation Information Sheet (PEIS)
- Evaluation report

ANNEX J: MONITORING AND EVALUATION PLAN

As a result of the emphasis placed on results-based management, it has become mandatory for all GEF projects to develop a detailed Monitoring & Evaluation work plan at the inception of the activities. The M&E work plan will allow for a critical assessment of project performance by showing the schedule of the activities, their cost and the expected outcomes, outputs and other achievements according to the established benchmarks and milestones. The work plan will be the main tool for monitoring and evaluating the progress of the project.

While distinct, Monitoring and Evaluation are nevertheless interactive and mutually supportive activities.

Monitoring is a continuous process of collecting and analysing information to measure the progress of a project toward expected results. Monitoring provides managers and participants with regular feedback that can help determine whether a project is progressing as planned.

Evaluations are periodic assessments of project performance and impact. Evaluations also document what lessons are being learned from experience.

Generally, individuals involved in managing a project are charged with monitoring. By contrast, individuals independent of project operations conduct evaluations.

Reporting is the systematic and timely provision of essential information. It is an integral part of the monitoring and evaluation function.

Monitoring, reporting and evaluation are management functions that could also be described as observing project progress (monitoring), documenting the observed information (reporting) and assessing on the basis of the above (evaluating).

Monitoring and systematic reporting must be undertaken for all regular and medium-size projects regardless of duration and budget. A chart describing standard M&E practices, timing of activities, and responsibilities for those activities follows.

Standard M&E Activities, Timeframes, and Responsibilities*

ACTIVITY	RESPONSIBILITIES	TIMEFRAMES
1. Drafting Project Planning Documents: Prodoc, Logframe (including indicators)	**Project proponent**, together with UNDP/GEF staff, project development specialists and other stakeholders	During project design stage
2. M&E Plan	**Project proponent**, together with UNDP/GEF staff, project development specialists and other stakeholders	During project design stage
3. Inception Report	**Project Implementation Team**	Three months after the beginning of project implementation
4. Work Plan	**Project Implementation Team**	Annually
5. Quarterly management narrative reports	Project Manager, Project Team	Quarterly, to be submitted within 45 days after the end of the quarter
6. Annual Project Report/Project Implementation Review (APR/PIR)	The Governments, **UNDP Country Office**, **Executing Agency**, Project Team, UNDP/GEF Task Manager, and Target Groups	Annually between June and September
7. Tripartite Review (TPR)	The Governments, **UNDP Country Office**, Executing Agency, Project Team, UNDP/GEF Task Manager, and Target Groups	Annually
8. Tripartite Review Report	**UNDP Country Office**	Annually, immediately following TPR
9. Mid-term, Final and Ex-post evaluations	Project team, **UNDP/GEF headquarters**, UNDP/GEF Task Manager, UNDP Country Office, Executing Agency	At the mid-point and end of project implementation; Ex-post, about two years after project completion
10. Terminal Report	**Executing Agency, UNDP Country Office**, UNDP/GEF Task Manager, Project Team	At least one month before the end of the project
11. Audit	**Executing Agency**, UNDP Country Office, Project Team	Annually if the cumulative annual disbursements exceed $20,000

***** The unit in **bold** has the lead responsibility.

UNDP/GEF *Task Manager* may be a regional advisor, a sub-regional coordinator or a GEF project specialist based in the region or at HQ

MONITORING AND EVALUATION PLAN FOR PHASE 2

Activity	Responsibility	Output	Timeframe
1. Preparation of M&E Plan	**Project proponent**, together with UNDP/GEF staff, project development specialists and other stakeholders	Project Monitoring and Evaluation Plan	During project design stage
2. Work Plan	**Project Implementation Team**	Annual Work Plans for each of five years of Phase 2	Annually, by 15 February
3. Reports to non-GEF donors	Project Implementation team, UNDP	Financial and narrative	As per the cost-sharing/contribution agreement (opportunities will be explored and negotiated with donors to harmonize reporting cycles and utilise UNDP/GEF reporting formats where possible)
4. Annual Project Report /Project Implementation Review (APR)	The Governments, **UNDP Country Office**, Executing Agency, Project Team, UNDP/GEF Task Manager, and Target Groups	Annual Project Reports for each of five years of Phase 2	Annually between June and September
5. Steering Committee meeting and Tripartite Review (TPR)	The Governments, **UNDP Country Office**, Executing Agency, Project Team, UNDP/GEF Task Manager, and Target Groups	Tripartite Review Report (see #6 below)	At least annually
6. Steering Committee and Tripartite Review Report	**UNDP Country Office**		Annually, immediately following SC/TPR
7. Mid-term evaluation of the phase 2	Project team, **UNDP/GEF headquarters**, UNDP/GEF Task Manager, UNDP Country Office	Phase 2 Mid-term Evaluation Report	3d year of the implementation
8. Final evaluation	Project team, **UNDP/GEF headquarters**, UNDP/GEF Task Manager, UNDP Country Office	Phase 2 Evaluation Report	At the end of Phase 2 of project implementation

Reporting

Ongoing project reporting will be provided in accordance with established UNDP procedures and will be provided by the UNDP Country Office with support from UNDP/ GEF. Overall supervision of the Project will be the responsibility of the Project Director.

The Project Management Unit will be responsible for the preparation and submission of the following reports:

(a) Annual Project Report and Project Implementation Review (APR/PIR)

The APR/PIR is a major tool for monitoring the GEF portfolio and extracting lessons is the annual GEF Project Implementation Review (PIR). The PIR has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. The PIR is mandatory for all GEF projects that have been under implementation for at least one year at the time that the exercise is conducted. It is the responsibility of the Project Director/PM to complete the PIR questionnaire, with the oversight of the UNDP Country Office. The APR/PIR also helps to obtain the independent views of the project's main stakeholders concerning its continuing relevance, performance and the likelihood of its success. The APR/PIR aims to: a) provide a rating and textual assessment of the project in achieving its objectives; b) present stakeholders' insights into issues affecting project implementation and their proposals for addressing those issues; and c) serve as a source of inputs to the Steering Committee and Tripartite Review. The main project stakeholders participate in the preparation of the APR.

The APR/PIRs will be prepared annually. The APR/PIRs will detail activities undertaken since the last APR, milestones reached, key results and achievements, problems encountered, and any other issues that need to be highlighted.

(b) Periodic Status Reports

As and when called for by the Project Director the government or UNDP, the Project Manager will prepare Status Reports, focusing on identified specific issues or areas of activity. The request for a Status Report will be in written form, and will clearly state the issue or activities that need to be reported on. These reports can be used to provide specific overviews of key areas, or as troubleshooting exercises to evaluate and overcome any encountered obstacles and difficulties. The parties are requested to minimise requests for Status Reports and, when such are necessary, will allow reasonable timeframes for their preparation.

(c) Technical Reports

Technical Reports are detailed documents covering specific areas of analysis or scientific specialization within the overall project. As part of the Inception Report the Project Director/PM will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary, this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants as Final Reports for their technical inputs, and should be comprehensive, specialized analyses of clearly-defined areas of research within the framework of the project and its sites.

(d) Project Publications

Project Publications will be a key tool for crystallizing and disseminating the results and achievements of the Project. These Publications will be scientific or informational texts on the

activities and achievements of the Project, in the form of books, journal articles or multimedia publications. These Publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The Project Director/PM will determine whether specific Technical Reports merit formal publication, and will also, in consultation with the government and other parties and with the help of external specialists and staff where necessary, plan and produce these Publications in a consistent and recognisable format and identity. These Publications will form the most visible public output of the Project, and as such should be prepared and presented to the highest scientific and technical standards.

(e) Project Terminal Report

During the last three months of the project, the Project Director/PM will prepare the Project Terminal Report. This comprehensive report will summarise all activities, achievements and outputs of the Project, lessons learned, objectives met and unattained, structures and systems implemented, etc. and will be the definitive statement of the Project's activities over its seven year duration. It will also clearly set forth recommendations for any further steps that may need to be taken to ensure the sustainability and replicability of the Project's activities.

(f) Regular reports to donors

Narrative reports to donors will be prepared on the activities supported by the donor contributions. Reports will be prepared regularly on the frequency required by the donor. Financial reports to the donors on contributions disbursed through UNDP will be prepared by UNDP CO.

(g) Other Publications and Publicity Activities

In order to ensure international dissemination of project results**, *a high-quality publication of results*** will be prepared, based upon the Project Terminal Report and previous Project Publications. It will also be useful to hold at least one *international workshop or conference* to showcase the project and its results.

Tripartite Review (TPR)

The tripartite review (TPR) is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every twelve months by representatives of the Government, the executing agency (MNR) and UNDP, and the first such meeting to be held within the first twelve months of the start of full implementation. The Project Management Unit will prepare an Annual Project Report (APR) for submission to UNDP. The APR must be ready two weeks prior to the TPR.

The APR/PIR will be used as one of the basic documents for discussions in the TPR meeting. The National Project Director/PM presents the APR/PIR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The NPD/CTA also informs the participants of any agreement reached by stakeholders during the APR/PIR preparation on how to resolve operational issues. APR/PIR's will be done on an annual basis. Separate reviews of each project component may also be conducted if necessary. Monitoring and Evaluation Indicators will be built into the project in consultation with UNDP.

Phase 1 Evaluation

An independent evaluation was undertaken upon nearing the completion of the project's first phase at the end of the second year. This evaluation focused on the effectiveness, efficiency and timeliness of phase one project implementation; highlighted issues requiring decisions and actions; presented initial lessons learned about project's design, implementation and management. Findings of this review have been incorporated as recommendations for enhancing implementation during the project's second phase. The evaluation also recommended to develop a set of qualitative and quantitative baseline indicators prior to the launch of the 2d phase. Further project evaluations will be conducted against these indicators.

Phase 2 Mid-Term Evaluation

A similar independent evaluation will be undertaken upon the completion of the second year of the project's second phase. The evaluation will focus on the effectiveness, efficiency and timeliness of the project's phase two implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final two years of the project's term. The organisation, terms of reference and specific timing of the evaluation will be decided after consultation among the parties to the project document. The WB/WWF management effectiveness tracking tool will be used to assess enhancement of the management and performance of individual PAs included in the project from year 1 to project completion.

Final Evaluation

An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the previous evaluation. The final evaluation will also look at early signs of potential impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The organisation, terms of reference and timing of the final evaluation will be decided after consultation between the parties to the project document.

Regular Monitoring and Evaluation

The project will also be closely monitored by the UNDP Country Office through quarterly meetings or more frequently as deemed necessary by the National Project Director. This will allow for the identification and rapid remedying of any problems pertaining to the project to ensure constantly smooth implementation of the project's activities.

ANNEX K: RESULTS MEASUREMENT TABLE

GOAL/OBJECTIVE/ OUTCOMES	KEY PERFORMANCE INDICATORS	BASELINE	TARGET	VERIFICATION MEANS/DATA COLLECTION STRATEGY	ASSUMPTIONS OR RISKS
Goal To help secure the globally significant biodiversity values of the Kamchatka Peninsula's protected areas.	Status of globally biodiversity biodiversity in Kamchatka PAs	Assessment of existing information on the state of and threats to globally significant biodiversity in Kamchatka's PAs establishes baseline in Year 1	Long-term alleviation of threats to the biodiversity that will be realized years following this project's completion	Long-term monitoring programmes on globally significant biodiversity	Replication of this project's lessons and best practices is forthcoming and no new threats will emerge
Objective To secure the globally significant values of four different existing protected areas by demonstrating replicable approaches for sustainable conservation of biodiversity.	Reduction in identified threats in the four PAs	Consolidation of existing data on spatial extent and severity of threats establishes baseline in Year 1	Reduction of threats by Year 4	Independent appraisals and evaluations of threats and reports by independent experts in Year 1 and Year 4	Political stability is maintained in region Social and economic conditions remain stable Co-financing commitments are maintained National and regional level government support is maintained for the duration of the project and beyond
	Populations of globally significant species in the 4 PAs	Consolidation of existing data on these species provides baseline in Year 1	Populations have not decreased below baseline levels by Year 4 and may show an increase (over longer term than project timeline)	Population surveys of species in Year 1 and Year 4	
	Populations of species experiencing particular poaching pressure (bear, sheep, reindeer, salmon)	Consolidation of existing data provides baseline in Year 1		Population surveys of species in Year 1 and Year 4	
Outcome 1 Protected area management capacity is strengthened	Populations of flagship species (bear, mountain sheep)	Existing data on flagship species establishes baseline	Populations of flagship species not decreased below baseline levels by Year 4	Population surveys	National and regional level support provided
	Collaboration among federal and regional PAs	Existing collaboration	Evident collaboration	Assessments of collaboration (e.g. data sharing, joint	Collaboration among agencies and federal and

		mechanisms establish baseline	among four PAs by Year 3	training and patrols)	regional governments in operations is forthcoming
	Legislation and regulations supporting effective PA management	Existing report on legislative and regulatory deficiencies and required changes provides baseline	Supportive legislation and regulations have been passed by Year 3	Changes in legislation and regulations by Year 3 and their adoption in practice	Co-financing commitments are maintained Legal and regulatory reforms adopted by government
	Scores in PA management effectiveness	Management effectiveness tracking tool has not been applied; for each PA its management effectiveness score is established in Year 1	All four PAs show progressive annual increase in scores from Year 1 to Year 4	Annual scoring starting in Year 2	Management effectiveness will be assessed using the WB/WWF Management Effectiveness Tracking methodology
Outcome 2 Sustainable alternative livelihoods are promoted and community based conservation mechanisms are developed	Number of people engaged in illegal activities negatively affecting biodiversity in targeted communities	Survey of number of people engaged in illegal activities affecting biodiversity in targeted communities in Year 1 establishes baseline	Number of known poachers in targeted communities decreased by 50% by end of Year 4	Socio-economic surveys Year 1 and Year 4	Villagers are cooperative and motivated Villagers will substitute income sources if provided with opportunity Local capacity and entrepreneurial spirit exists
	Change in employment and income for villagers in targeted communities	Survey establishes number involved in tourism sector in Year 1	By Year 4, an increase of 20% over baseline of local population engaged in tourism service provision	Socio-economic surveys Year 1 and Year 4	Information and incentives are effective Tourism will be sustainable and will provide a source of income over the course of a year
		Survey establishes baseline in Year 1	At least two forms of traditional sustainable resource use are being practiced in communities by Year 2	Part of socio-economic survey in Year 1 and Year 4	
	Sustainable use of NTFP species	Consolidation of	Monitoring of	Monitoring plots Year 1 and	Marketing will produce a

		existing information on important NTFP species and establishment of monitoring plots for them provides baseline in Year 1	regeneration of important NTFP species (e.g. Golden root) indicates increase of 30% over baseline by Year 4	Year 4	sustained demand for NTFPs Distribution network for NTFPs will be effective
		Survey of population in targeted communities in Year 1 establishes baseline	At least 30 local residents engaged in sustainable NTFP harvesting and processing by Year 4	Socio-economic surveys in Year 1 and Year 4	
	Co-management and community based conservation mechanisms	Absence of co-management arrangements in place is the baseline as is the absence of any formalized community based conservation mechanisms	Three Community Conservation Councils established by Year 2	Functioning of Councils by Year 2 and records of membership on Councils	Communities supportive of programmes Effective representation of stakeholders is attained
			At least 3 targeted communities have instituted community monitoring programmes by Year 3	Results of monitoring programmes in Year 3 and Year 4	Agreements can be reached with stakeholders and proper training is provided
		Record of past public involvement in PA decision-making establishes baseline in Year 1	By Year 2, PA management decisions are made jointly with community members	Stakeholder surveys in Years 2,3 and 4 and records of decisions	All community members have equal access to decision-making processes
Outcome 3 Biodiversity awareness and advocacy is heightened among all stakeholders	Awareness levels among all stakeholders of PA functions and need for biodiversity conservation	Survey of stakeholders' awareness in Year 1 establishes baseline	By Year 4, awareness level among all stakeholders of PA functions and need for biodiversity conservation is increased over	Stakeholder surveys Year 1 and Year 4	Stakeholders receptive to education campaign

			50% above baseline		
	Coverage of biodiversity conservation issues in media	Survey of coverage in Year 1 establishes baseline	By Year 4, an increase of 50% over baseline coverage of biodiversity conservation issues in media	Surveys of publications and broadcast Year 1 and Year 4	Media is involved and motivated Communication and education campaigns are effective
	Number of public environmental events in targeted communities	Number of events in Year 1 provides baseline	Number of public environmental events in targeted communities increased by 50% over baseline by Year 3	Surveys of events Year 1 and Year 4	
Outcome 4 Sustainable financing mechanisms are established	KBCTF establishment and funding of PAs' recurrent costs	KBCTF not yet established	KBCTF is fully capitalized and providing funding for biodiversity conservation in the PAs by start of Year 3	Fund capitalization and record of disbursements in Year 4 PA budgets	Co-financing is secured
	PA budgets	Year 1 PA budgets provide baseline	PA budgets supplemented by other non-budgetary sources of revenue by Year 3 Recurrent costs of PA management covered without additional donor support by end of Year 4	PA budgets; analysis of sources of funding Year 3 and Year 4	Governments honour commitment to take on 100% of incremental staff salaries by the end of the project
	Employment that supports biodiversity conservation in targeted communities	Socio-economic survey to determine baseline in Year 1	By Year 4, at least 20 new sustainable biodiversity supporting	Economic survey in Year 4	Local capacity and entrepreneurial spirit exists

			enterprises have been established in project targeted communities		
	Small-Medium Enterprise Fund and Small Grants Programme	Established Fund and programme disbursements provide baseline	SME Fund and grants programme attracting greater clientele in targeted communities	Annual Fund and grant programme disbursement records and records of applications and grant/credit recipients	Local capacity exists to efficiently use SME Fund and community small grants facility
	PA revenue generating mechanisms	Current sources of PA revenue provide baseline on existing mechanisms in Year 1	New PA revenue generating mechanisms are designed and institutionalised and provide additional sources of revenue for PAs by Year 4	Analysis of PA budgets in Year 1 and Year 4	Innovative revenue generating mechanisms can be established under revised PA legal framework
	Public-private partnerships supporting sustainability of the PAs	Survey of existing partnerships establishes baseline in Year 1	Public-private partnerships supporting revenue generation and sustainability of the PAs are established by Year 4	Partnership records in Years 1 and 4	Partnerships can be established within revised legal framework for PAs
Outcome 5 Lessons learned and best practices are systematically identified and disseminated through ministerial and NGO channels throughout Kamchatka and the Russian Federation	Replication of best practices and lessons learned from project in other PAs in Kamchatka and the Russian Federation	Assessment of current management practices and capacities in Kamchatka PAs provides baseline in Year 1	Management models from project replicated in at least two more PAs (federal and regional) by the end of Year 4 PA management approaches and principles, including coordination	Survey of PA managers on application of lessons and practices of project in PA management in Kamchatka and the Russian Federation; Year 3 and Year 4 Publications and other references to this project	National and regional authorities supportive of replicating best practices and lessons learned Institutional stability is achieved for Ministry of Natural Resources Capacity exists in other PAs to replicate best practices and lessons learned

			mechanisms, applied to other PAs in Kamchatka and Russian Federation with specific reference to this project as the source of information by Year 4 and beyond the project's timeline		

ANNEX L: MID-TERM EVALUATION REPORT

EXECUTIVE SUMMARY

The UNDP GEF-supported Project "Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas of Russia's Kamchatka Oblast" is now nearing completion of its first phase which has a lifetime of 24 months. Within this short phase-one lifetime, this Project has demonstrated significant successes and achievements.

In the Evaluation, each Project Output has been reviewed separately. The review of each Output is summarised initially by identifying the original LogFrame Indicators from the Project Document, and then by discussing the Measurable Achievements for each Indicator. A Semi Quantitative Assessment technique then follows which has been applied to each Project Output in order to assess the level of achievement within each activity. Clarification of the adopted SQA score is then given for each Output/Activity. A General Discussion is then given on each Output which provides more elaborate detail, discussing feedback from stakeholders as well as identifying areas of concern or poor delivery. Using the Semi-Quantitative Assessment technique which provides values (between 1-5) for GEF Project Criteria and for the Project Outputs and Delivery, the Evaluators find the project to have achieved an overall SQA figure of **3.54** which is equivalent to **'Impressive Delivery'**. Table 1 gives the status of delivery for each project output as assessed against the measurable indicators given in the LogFrame. Table 2 presents the overall SQA achievement scores for each project objective. These two tables provide a clear overview of the 'benchmarks' that were identified within the Project Document, and the level of achievement within these 'benchmarks'.

Evaluation Results are summarised below under **Project Outputs**, **Project Delivery** and **Project Management & Implementation.**

PROJECT OUTPUTS

Strengthening of the Protected Areas System has been realised through the development of management and operational plans, the creation and/or strengthening of field-offices, guard posts and ranger patrol stations, and through increased staffing levels. Efforts are under way to finalise the assessment of tourism development feasibility, and much has been done to address pollution issues within the Parks. Staffing levels are still somewhat inadequate and both the Project and Implementing Agency are working hard to resolve this issue at both the regional and federal level.

Biodiversity Information and Management has been significantly improved through the capture and compilation of historic and current data sets and information, and the development of a standardised database format. Key data gaps are currently being defined with a view to providing guidance for future research requirements to support policy decisions.

The development of **Sustainable Financing Mechanisms** has proved to be one of the more significant challenges to this Project. So far there has been no capitalisation of such mechanisms as yet. The reasons for this are analysed in the discussion of that Output in the main text. Response from donors has been poor and it is probable that greater emphasis is now needed in trying to attract funding from other sources. The Project is therefore realigning its focus in this area toward private sector interests and will be looking at new, innovative approaches to such financing measures. On the positive side, the project has developed strong partnerships in support of sustainability of Objectives. The document discusses the various reasons

why the project decided not to start capitalisation of the Trust Fund until there was a clearer picture of the levels of further funding under phases two and three. The document also lists the mitigating circumstances which surround the apparent shortfalls under this particular Output (Lack of support from regional administration, unexpected restructuring of responsibilities at the federal Ministerial level, impracticable separation of the Trust Funds for this Project and for the Salmonid Conservation project)

Good foundations have been set in place with respect to **Strengthening the Legal, Regulatory and Policy Base.** The various policies, legislation and regulations pertinent to biodiversity conservation and PAs have been identified and comprehensively reviewed. Some recommendations have been proposed at the regional level. The Project now needs to consolidate this effort to ensure that a clearly defined and formal list of amendments and reforms to policy and legislation (as required to meet the Project Objectives) is finalised in time to provide a road-map for the next phase of the Project, which will be placing its emphasis on actual reform implementation.

The Project has undoubtedly delivered **Heightened Biodiversity Awareness and Advocacy**. Media, schools and communities now understand the relationships between the Parks, biodiversity and resource conservation, and the sustainability of their quality of life (and their general livelihoods). The communities have noted real actions to support their role in the Parks rather than just words. Awareness programmes are active but 'branding' could be improved to strengthen the linkages between activities related to community improvements and the objectives of the Project.

Improvements in the development of **Alternative Livelihoods and Community-Based Conservation** have been highly impressive and very successful. The small and medium sized funding and micro-credit loans have made a significant difference within the communities and, for the most part, the community sees these improvements as being closely associated with the Project. There is still a need to engage the communities more directly in the management process for the Parks, even if this is initially only at the more fundamental level of parks maintenance and overseeing tourism. Furthermore, there is a need to link the improvements in livelihoods to improvements in biodiversity conservation through a more focused and measurable set of indicators than currently exist.

PROJECT DELIVERY

In general, Project Delivery has been high with exceptionally good stakeholder participation and public involvement, significant capacity building, a high level of project output replicability, and strong opportunities for both global and national benefits.

The evaluation identifies some concerns in relation to **Threats and Root Causes**. The first focuses on on-going and planned mining activities near or within Bystrinsky Nature park which are still a serious concern among stakeholders. Management plans for the Park are attempting to address this concern. The second focuses on the increased emphasis on resource exploitation and consequent reduction in priority toward sustainable management that has resulted from significant administrative changes at the federal level. The Evaluation recommendations address this concern. The third concern is poaching. Subsistence level poaching is being addressed by the project through its activities related to Alternative Livelihoods. Organised poaching by the privileged rich is not being addressed by the project at present and it is difficult to see how this could be done except at the federal level. Again, recommendations to focus some project activities at the federal level would help to address this concern. Any further project phase should have a more specific and targetable list of root causes.

With respect to **Global and National Benefits**, domestic protected area capabilities have been enhanced along with an increase in transferable knowledge and lessons. Globally, the project is meeting its objectives. In both cases, sustainability will be the overarching factor toward success or failure.

Stakeholder Participation and **Public Involvement** have been exemplary both throughout project design and implementation. The project has consequently fostered high levels of support among all stakeholders. Some minor concerns are elucidated within the text. In particular, the project has achieved notable success within the Bystrinsky Nature Park where biodiversity conservation and community issues and concerns most overlap. Local administration in this area is highly supportive of the project as is the local population who sees enormous benefits available to them in the long-term from the presence of the Park and through sustainable management of its natural resources and biodiversity.

Capacity Building has been achieved through institutional strengthening within both Nature Parks through physical improvements as well as human resource development. The Evaluation identifies some areas of weakness which could be improved, including training of project staff and better training of senior Parks management. The project intends to identify further training needs for the next phase.

Policy and Legislative Reform and Improvement has made some progress. Such reforms and changes are difficult within the new Russian economic and political context. The Evaluation has made some recommendations to improve and advance this process.

Replicability of project achievements and lessons would be valuable, especially within the Russian Federations Protected Areas system. The successes made within the Alternative livelihoods output as well as the development of an effective and compatible database are clear examples.

Risks and Sustainability are a concern although the evaluators were impressed with the ability of the project management team to respond to new risks and threats to sustainability. Much will depend on the design of any next phase as this first phase has only had some 20 months to run and it is difficult to assess the strength of the foundation developed so far. The text discusses a number of possibilities for strengthening this area, particularly by taking a more federal approach in any next phase.

PROJECT MANAGEMENT & IMPLEMENTATION

The overall **Project Design** and its **Planning** is well thought out for the most part. This is reflected in the high level of achievement in an implementation period of only 20 months. The development of strong partnerships and the transparent stakeholder consultations have played a major role in good project design leading to these achievements. The Evaluation identifies some criticisms which would provide valuable lessons for future project development (and are captured as such in both the Recommendations and Lessons and Best Practices section of the report). These include the need for a more simplified use of terminology within the Project Document, the use of more standard terminology as adopted by GEF Implementing Agencies, a more realistic timescale for achievements under each Output and Activity and taking into account the limited funding made available, and the need for more specific and measurable indicators (although these became difficult to apply under the phased approach in any case).

All of the stakeholders were very supportive and complementary toward the **Project Management** team. The 4 Working Groups that were developed to address relevant project Outputs had a good strategy for achieving their objectives. Overall, the Project Management showed a dynamic and logical approach to keeping project delivery as high as possible under fairly difficult budget limitations and time constraints.

Project Execution and Implementation has also demonstrated a high level of successful interaction and mutual support between the Project Team in Kamchatka, the Implementing Agency in Moscow and the various other Project partners. Communication channels are effective and assistance and advice appears to have been timely and professional.

At the federal level, **Country Ownership** appears to have been strong with much support from the office of the National Project Director. The Evaluation identifies new challenges arising as a result of significant changes in Ministerial responsibility. The Evaluation provides recommendations which could be instrumental in addressing these changes and in further strengthening Country Ownership.

The **Workplan and Budget** have been followed accurately. Some early difficulties arose from attempts to stick to the workplan without any proactive amendment where necessary. This was overcome by interventions at the Steering Committee level. One of the greatest concerns identified by the evaluators was the severe reduction in budget at the approval stage for this project, with little or no consequent reduction in expected Outputs or Activities. This further reflects on the abilities of the Project Team to be able to deliver under such constraints of both time and budget.

Monitoring and Evaluation requirements were incorporated into the Project Document and have been successfully followed. Some problems were encountered in the early days of implementation but these were overcome though consultation with the Implementing Agency and the Steering Committee. The evaluators reviewed the Project Implementation Review of June 2003 and found it to be an accurate reflection of project status and concerns at that time.

As an overall assessment therefore, Project Implementation has demonstrated good initial project design and planning, and an excellent level of project management. Overall project execution and implementation has also been of a high standard, including effective monitoring and evaluation.

There are still some concerns regarding the initial and significant reduction in the Project budget and the phasing of the project but these are expected to be resolved through the design of the next phase. Some risk and sustainability issues remain, but this is hardly surprising for a project that has been evaluated after only 20 months of implementation. Project phasing has made it difficult to provide more specific measures of success or to identify any improvements to biodiversity conservation. This is because phase one (the subject of this current evaluation) was designed to provide baseline information on both biodiversity and socio-economic status while phases two and three (now combined into a single Phase II) address the development and implementation of monitoring procedures. This is a weakness in project design. The need to develop a proper baseline for indicators that would allow for more realistic measurement of achievement has been noted and is included in the recommendations. In the absence of such a baseline and relevant indicators the evaluation has had to rely on personal observation and feedback from stakeholders. The summary of Lessons and Best Practices captured through this evaluation clearly identifies the need for GEF Project Documents to use realistic and sequential indicators which can be numerically measured wherever possible. This should be a clear objective of the next phase. It is understandable that the success of a project in its early stages may need to be measured using Process Indicators. However, as soon as possible the LogFrame should provide Stress Reduction and Environmental Stress indicators as measurable verification of success. In the absence of such measurable indicators any Evaluation must inevitably be subjective.

TABLE 1: STATUS OF OUTPUT DELIVERY AS PER MEASURABLE INDICATORS

OUTPUT	MEASURABLE INDICATORS FROM PROJECT DOCUMENT (LOGFRAME)	STATUS OF DELIVERY
Strengthening of the Protected Areas System	Management Plans prepared/approved for each Protected Area	COMPLETED
	Annual Operational Plans prepared and on record	COMPLETED
	Staff requirements identified and additional (GEF) staff hired	Identified - not hired
	PA Directorates established for Nature Parks	COMPLETED
	Essential equipment and supplies procured and infrastructure established	COMPLETED
	Tourism feasibility study completed and tourism development opportunities assessed	Expected by Phase I end
	Recreational carrying capacity of each PA determined	Expected by Phase I end
Biodiversity Information and Management	Existing biodiversity information for each PA is collated and standardized	Expected by Phase I end
	Meta-database is produced	COMPLETED
	Data needs are defined	Expected by Phase I end
	Required key biodiversity assessments are defined	Expected by Phase I end
	Traditional environmental knowledge appraised and means of integration into decision-making defined	Expected by Phase I end
Sustainable Financing Mechanisms	25% additional staff salaries absorbed by KOA and NRC	NO
	User fees established and implemented	No Mechanism
	KPACF designed and operational with 1st stage of co-funding secured	NO
Strengthening the Legal, Regulatory and Policy Base	Biodiversity Policy Analysis completed and report available on file	COMPLETED
	Inadequacies and weaknesses in legislation and regulations identified and on file	COMPLETED
Heightened Biodiversity Awareness and Advocacy	Public Awareness communications strategy developed	COMPLETED
	Awareness Programme developed	COMPLETED
	Awareness Materials prepared and disseminated	COMPLETED
Alternative Livelihoods and Community-Based Conservation	Ecotourism feasibility assessed and defined through study	Expected by Phase I End
	NTFP harvest limits established for Protected Areas	Expected by Phase I End
	NTFP Management Plans prepared	Expected by Phase I End
	SME financing facility and Community Small Grants Programme developed	COMPLETED
	Traditional economic pursuits identified and defined	COMPLETED
	Economic feasibility of traditional pursuits appraised	Partial - Good Appraisal

GREEN	= Indicators show successful achievement
YELLOW	= Indicators show expected completion by end of Project
RED	= Indicators show poor achievement - unlikely to be complete by end of Project

The overall findings of this Evaluation are that this Project has made significant achievements toward the conservation and management of important global biodiversity; toward strengthening the administrative and management capacity within the 4 selected protected areas; toward increasing stakeholder biodiversity conservation awareness, commitment and participation in PA management; and toward promoting alternative livelihoods for local communities thereby enabling biodiversity conservation. Project Management has shown itself to be well capable of reacting to challenges, and has demonstrated a motivation and determination that bodes well for further activities toward achieving the project's objectives. The Evaluation therefore feels that the Project has set an excellent foundation (both at the regional and federal level) for the development of effective protected areas management, and that this foundation is more than strong enough for GEF to build a further phase of support and assistance with which to consolidate its efforts and investment so far.

The Evaluation recommends that the present phase be extended until the end of 2004 in order to complete some critical outstanding activities, that a further GEF phase be developed and submitted for approval, and that this further phase be granted sufficient funding to effectively complete the project objectives. The Evaluation also recommends that this next phase should be focussed on providing a model demonstration for the Russian Federation of how regional and federal protected areas systems can be properly managed and sustained under the newly re-structured government responsibilities and policies.

The detailed Recommendations of the Evaluation are divided into policy issues and specifics as follows:

PRIMARY RECOMMENDATIONS (POLICY)

- Extension of Phase One of the Project to the end of 2004 (already recommended by the Steering Committee).
- Funding for the Project should be returned to the $7 million level (as originally identified) to achieve the Project's Objectives within the Project lifetime.
- Development of a formal strategy and workplan for identification of Sustainable Financing Mechanisms, which should then be adopted by the Steering Committee **before** the end of Phase One.
- Ensure that a final set of recommendations for strengthening the legal, regulatory and policy base are presented to the authorities **before** the end of Phase One, and used as a road-map for legal and policy reform under the next phase.
- In its next phase, the Project should demonstrate how both the regional and federal PAs can be sustainably managed and supported within the newly re-structured ministerial responsibilities and policies providing a transferable model for national replication, and to this effect should include a federal-level component within Moscow.
- The Project needs a long-term monitoring programme for biodiversity status, pollution and other threats both within and outside the PA system.
- A High-Profile Mission to Kamchatka should be arranged in coordination between UNDP and the Federal Government in order to raise the overall profile of the Project
- Phase Two of the Project should develop Councils for Co-Management of the PAs.

SECONDARY RECOMMENDATIONS (SPECIFICS):

- The Project needs to review the Threats and Root Causes to capture new concerns and to re-prioritise old issues.
- Before the end of Phase One, the Project needs to establish the baseline for impact indicators which can be effectively measured as accurate verification/justification of component and output success.
- The staffing problems within the PAs need urgent attention and resolution.
- There is a need to develop a Centre of Excellence for Training in Wilderness and Parks Management in Kamchatka.
- Further capacity building needs to be agreed in open consultation with relevant stakeholders.
- The Project should seek to help the indigenous people and the communities as a whole to resolve their concerns regarding hunting, fishing and land-rights.
- The successes of the SME and micro-credit experience in Esso now need to be transferred to other communities, and to start encouraging alternative livelihoods in other PAs.

The Evaluators have also provided a list of lessons pertinent to future GEF Project Development (Lessons and Best Practices for GEF Biodiversity Projects of a Similar Nature).

TABLE 2: OVERALL SEMI-QUANTITATIVE ASSESSMENT RESULTS FOR PROJECT ACHIEVEMENTS

PROJECT COMPONENT OR OBJECTIVE	ESTIMATED PERCENTAGE SUCCESS OF COMPONENT OR OBJECTIVE																				RATING
	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	1-5
PROJECT DELIVERY																					
OUTPUTS & ACTIVITIES																					3.75
THREATS & ROOT CAUSES - RESOLUTION																					3.25
GLOBAL & NATIONAL BENEFITS																					3.5
STAKEHOLDER PARTICIPATION & PUBLIC INVOLVEMENT																					4.25
CAPACITY BUILDING																					3.5
POLICY & LEGISLATIVE REFORMS																					3.75
REPLICABILITY																					3.5
RISKS & SUSTAINABILITY																					3
PROJECT IMPLEMENTATION																					
PROJECT DESIGN & PLANNING																					4
PROJECT MANAGEMENT																					4.25
PROJECT EXECUTION & IMPLEMENTATION																					3.75
COUNTRY OWNERSHIP																					3
WORKPLAN & BUDGET																					2.5
MONITORING & EVALUATION																					3.5
OVERALL PROJECT ACHIEVEMENT & IMPACT																					**3.54**

ANNEX M: KAMCHATKA CONSERVATION TRUST FUND

The following Proposal describes the background and justification for establishing a trust fund to support Kamchatka's protected areas and to conserve Kamchatka's globally significant biodiversity (particularly Kamchatka's eleven different species of wild salmonid fish). The Proposal then describes the trust fund's legal and organizational structure, and the ways in which it can serve as both a short-term and a long-term financing mechanism for biodiversity conservation.

Introduction:
Engaging donors and others to commit to capitalization of the Kamchatka Protected Areas Trust Fund, originally envisaged by the Kamchatka Protected Areas project, has proven more difficult than expected, in light of changing donor priorities and other factors. The project team has analysed its experience over the past two years and proposes changes to their approach to establishing a mechanism to provide sustained financing to conservation activities. This new approach is the subject of this note.

A fundamental premise of this new approach is the consolidation of what had originally been proposed to be two separate GEF co-financed trust funds in Kamchatka - initially planned as distinct financing mechanisms for the Kamchatka Protected Areas Project and the Salmonids Conservation Project - into a single **Kamchatka Biodiversity Conservation Trust Fund (KBCTF)**.

The benefits of consolidating the two Trust Funds into one are (1) accumulation and balancing of a larger investment portfolio; (2) having a more comprehensive (not conflicting or duplicative) resource mobilization strategy and addressing donors in a more programmatic manner; (3) obtaining net savings in inception and administration costs; (4) increased potential to mobilize resources and fund new conservation programmes in an "umbrella-type" biodiversity conservation foundation.

Each project and its objectives would be served by separate accounts within the overall Trust Fund (KBCTF). The projects, as originally approved, allocated US$ 1.5 M to their respective Trust Funds. In this new scenario of a consolidated Trust Fund, each account would be capitalized with the originally approved US$ 1.5 M from GEF plus a leveraged amount from donors and others. In the Salmonids project design, Trust Fund capitalization is planned for Phase II of the project (corresponding to year 5), and thus GEF resources will only be sought to capitalize the Salmonids account in 2007.[5]

The difficulties experienced by the project in successfully engaging donors inevitably implies a heightened sense of risk in using GEF funding as partial capitalization in the establishment of the Trust

[5] The incrementality of GEF's contribution towards the salmon conservation in Kamchatka and the feasibility of establishing and co-funding the Salmonid Trust Fund were justified in the original Salmonids Project Document that was endorsed by GEF Council in October 2002. The assumption underlying the design of this financial mechanism is that the significant value of the salmonid-use activities in Kamchatka and worldwide makes it feasible eventually to create a long-term "re-investment," or revolving fund mechanism, to channel revenue from salmonid-use activities back into salmonid diversity conservation. Meanwhile, Russia is a country in transition from a centrally planned economy to a market-based economy. This transition has meant significant budget shortfalls in all Government programs and especially dramatic funding cuts in conservation programs. Despite the Government's policy goals and existing baseline funding, there remains a considerable unmet, annual funding need for salmonid diversity conservation. It is reasonable to expect that this conservation-funding gap will hamper salmonid conservation for the next 15-20 years. Recognizing this probability, the project plans to establish a salmonid diversity conservation account within the **Kamchatka Biodiversity Conservation Trust Fund (KBCTF)** to bridge the funding gap, and secondly, to establish a revolving fund to support the re-current costs of salmonid diversity conservation programs operationalised by the GEF project.

Fund. **This risk will be mitigated by explicitly tying release of GEF capitalization funds to receipt or otherwise credible commitment of the requested co financing by other donors. No GEF funding will be released to capitalize the KBCTF without deposit of the co financing as stipulated in the Project Document (2:1 non-GEF to GEF).**

In addition to the Trust Fund, the following efforts are under to way to complement the TF strategy vis a vis project sustainability:

- *Strengthening governmental funding for PA management and development.* Despite recent policy and structural changes within the government, the federal and regional funding allocated to protected areas management has been gradually increasing over the last several years. These positive trends have been reconfirmed in 2005 budget plans – both federal and regional. Furthermore, with the federal law of August 2004, all regional nature parks are transferred to federal jurisdiction as of January 2005. While these changes imply a number of difficulties during the transition period, they obviously demonstrate the commitment of the government to stabilize financing, regulatory and legislative frameworks in this field. In accordance with the new law, an allocation of resources for nature park management has been included in the federal budget for 2005. With the governmental decision to transfer regional PAs to federal jurisdiction, there is a potential for more stable budgetary funding and staffing levels. There are still many legal and institutional issues to be resolved to ensure smooth transition and functioning/funding of nature parks; the project will support both regional and federal governments to resolve these issues. The project has been successfully lobbying for an increased regional and national funding to Kamchatka PA system. This work with the State Duma, the Ministry of Natural Resources, the regional administration and legislative council will be continued.
- *Optimisation of PA management structure in Kamchatka to ensure more collaborative management and cost savings*. The project will propose ways to reduce operational costs of regional PAs (nature parks) by combining separate nature parks into a cluster protected area (park).
- *Introduction and implementation of PA revenue generating mechanisms in Kamchatka and ensuring that the revenues are used to offset the recurrent costs of PA management.*
- *Promoting further a notion of environmental services generated by the protected areas (linked to i.3)*
- *Building PAs capacity for closer involvement in ecotourism activities, environmental education and provision of training* (through a joint training centre) to diversify potential sources of extra-budgetary funding
- *Supporting the PAs in building international cooperation* and twins-relationships with other PAs and international environmental agencies.

Background

Kamchatka's geography

The Kamchatka peninsula extends 1,500 kilometres south from Russia's Siberian mainland into the Northern Pacific Ocean, separating the Sea of Okhotsk from the Bering Sea. The peninsula extends from 50° to 60° North in latitude, and is characterized by sub-arctic vegetation and climatic conditions. It has 29 active volcanoes, including Eurasia's largest (the 5000m. high Kluchevskoi volcano). Kamchatka is located nine time zones east of Moscow. Not only is Kamchatka isolated geographically, but

approximately 72% of Kamchatka's 386,000 people are concentrated in and around the city of Petropavlovsk, leaving vast areas of the peninsula sparsely populated or uninhabited. Because of Kamchatka's low human population density, few roads, small and dispersed settlements, and little large-scale development, most of the peninsula has remained in a relatively pristine condition and possesses an abundance of wildlife and globally significant biodiversity. UNESCO has designated a large portion of the peninsula as the "*Volcanoes of Kamchatka World Natural Heritage Site*", and WWF has designated Kamchatka as one of its "*Global 200 Ecoregions*".

Kamchatka's biological diversity

The significance of Kamchatka's biological diversity is not measured so much by the number of different species, but more by the presence of numerous rare and unique species, species assemblages and ecosystem processes, including volcanic and geothermal ones. For example, 10% of Kamchatka's 1,168 plants are endemic. As a result of its island-like environment, there is a continuing process of diversification among the peninsula's endemic species and subspecies. Approximately 15,000 Kamchatka brown bear *(Ursus arctos),* the second largest subspecies in the world, are found throughout the peninsula. Kamchatka is also the centre of distribution for the largest eagle in the world, the rare Steller sea eagle (*Haliaeetus pelagicus*). Sixty percent of these eagles (some 4,500) make their home on the peninsula. Approximately 1,800 endangered northern sea lions (*Eumetopias jubatus*) live along the coast, a species that has declined 95% worldwide in the last 20 years. Kamchatka also has the only population of sea otters in the Eastern Pacific, as well as large numbers of walrus and all of the five species of seal found in the North Pacific. Numerous seabird colonies can also be found in abundance along the peninsula's coastline and on surrounding islands, including 50% of the global population of Aleutian tern.

Kamchatka's salmonid resources

Kamchatka's streams and coastal waters are home to the world's greatest diversity of salmon, trout, and char (collectively referred to as "salmonids"). All eleven species of Pacific salmon (representing an estimated one-third of the entire Pacific wild salmon population) spawn in Kamchatka's rivers. Salmonids and the nutrients they bring to freshwater and terrestrial ecosystems constitute the biological cornerstone of Kamchatka's aquatic and terrestrial biodiversity. Brown bears, Steller sea eagles, sea lions and other large vertebrates all depend on salmonids as their primary source of food. Kamchatka's human population also depends on salmon. About 60% of the Russian Federation's fishery resources occur in the waters around Kamchatka, and salmonid fish comprise a significant proportion of total commercial and subsistence catches. Having weathered a 50% reduction in economic activity during the past ten years, most of Kamchatka's rural people---and particularly Kamchatka's indigenous peoples---depend on salmon as their primary basis for survival and livelihood. Kamchatka's salmonid biodiversity also has potential global economic benefits---it represents a genetic reservoir that can be used to rebuild, preserve, or augment the vitality of captive-bred salmon populations, particularly since other wild salmonid populations continue to dramatically decline because of pollution and over fishing, and may decline even further because of climate change.

Kamchatka's network of protected areas

Protected areas occupy 27.4% of Kamchatka's territory, and include 2 Strict Nature Reserves (federal *zapovedniks*), 17 special purpose reserves or refuges (*zakazniks*), 4 Nature Parks (Oblast level), 1 Nature Park (local level), and 83 Nature Monuments and other sites designated for their unique features. The long-term conservation of Kamchatka's biodiversity depends on strengthening the effectiveness of these protected areas, and maintaining the integrity of salmonid habitat inside and outside of protected areas.

Reasons for Establishing the Trust Fund

Threats to the Conservation of Kamchatka's Biodiversity

The budget for protected areas in Kamchatka has declined by 90% since 1991 as a result of Russia's difficult economic transition period and Kamchatka's declining economy. It is therefore urgently necessary to develop alternative financing mechanisms for conserving Kamchatka's globally significant biodiversity. This biodiversity is now threatened as a result of**:**

- unlimited access to Kamchatka's protected areas,
- poaching and illegal harvesting of natural resources (particularly salmonids) beyond ecologically sustainable levels, and
- lack of resources for fighting forest fires.

The biggest obstacle to dealing with these problems is a **lack of adequate financing** for:

- enforcement
- management planning
- research, and
- providing local people with alternative, environmentally sustainable livelihood opportunities.

Objectives of the Trust Fund

The **short-term objective** of the Kamchatka Conservation Fund will be to provide **"bridge financing"** for the following **two UNDP-GEF Projects** during the period after each of these projects officially end (i.e., in 2009 and 2010, respectively)**:**

"Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas in Russia's Kamchatka Oblast", namely:

- Kronotsky State Biosphere Reserve
- South Kamchatka State Sanctuary
- Nalychevo Nature Park
- Bystrinsky Nature Park.

"**The Conservation and Sustainable Use of Wild Salmonid Biodiversity in Kamchatka"**, focusing on four major river systems:

- Bolshaya river
- Kol river
- Utkholok/ Kvachina rivers
- Sopochaya river.

The **long-term objective** of the trust fund will be to conserve as much as possible of Kamchatka's globally significant biodiversity, by not only continuing the important conservation activities that are now being financed by the two GEF projects, but also by providing financing to address other conservation issues and priorities that will be identified in the future.

ADVANTAGES OF CONSERVATION TRUST FUNDS:

Since 1991, biodiversity conservation trust funds have been established in more than 40 countries, and have generated almost US $1 billion for long-term financing of protected areas and other forms of biodiversity conservation. Conservation trust funds are a way to:

- provide more predictable, guaranteed financing for protected area management;
- spread out donor grants over a much longer period of time; and
- divide large international donor grants into dozens of smaller grants for local organizations or local governmental units to carry out conservation and "sustainable livelihood" projects.

A 1999 Evaluation Report by the Global Environment Facility (GEF) titled *Experience with Conservation Trust Funds* found that a successful conservation trust fund is **more than just a financial mechanism**. It also functions as an institutional mechanism for building effective, responsive, and focused conservation programs based on:

- broad consultative processes (because trust funds are governed by boards that include "stakeholders" from different sectors of society and different levels of government);
- transparent operating procedures; and
- sound financial management practices.

For these reasons, the creation of an effective conservation trust fund requires a substantial investment of time and resources, and a long-term political commitment to **building a new institution to coordinate biodiversity conservation activities**.

Conservation trust funds can utilize one or more of the following financial mechanisms:

- An ***Endowment Fund*** is one whose capital is invested in order to earn interest and other kinds of investment income which is used to fund current project activities. No part of an endowment fund's capital is ever spent, but instead all of the capital remains invested in order to continue generating a steady stream of income 'in perpetuity'.

- A ***Sinking Fund*** (also sometimes referred to as a "Bridge Fund") is similar to an endowment fund, except that each year, in addition to spending the income earned by investing the capital, part of the capital itself is also spent, until the fund's capital finally 'sinks' to zero after a predetermined period of time (usually between 7 and 15 years).

- A ***Revolving Fund*** is a one that is continually replenished by new revenues (for example, revenues from "user fees" or special taxes), and continually spends 100% of these revenues on current projects, rather than treating these revenues as investment capital for generating future income.

In order to diversify and maximize its sources of revenue, the Kamchatka Conservation Fund **will combine elements of each** of these three financial mechanisms.

Structure and Governance of the Proposed Trust Fund

The proposed Kamchatka Conservation Fund will be composed of two legally independent entities:

- an International Foundation (legally registered in the U.S. or a European country);
- a Russian Foundation (legally registered and based in Kamchatka).

The main **reasons for establishing two separate foundations** are**:**

- Some international donors may prefer that their contributions to the trust fund's long-term capital be held outside of Russia;
- Russian charitable foundations must pay taxes on the income that they earn from investments, whereas charitable foundations in the US and many Western European countries do not pay any taxes on the income that they passively earn from interest and investments;
- Russian foundations may be restricted in their ability to freely (and at short notice) transfer funds out of Russia in order to invest those funds overseas in response to changing market conditions, but US or European foundations are generally able to do this without needing to obtain any government approvals;
- US individuals and corporations generally can only receive US income tax deductions for contributions to US tax-exempt charitable organizations, not for contributions to foreign charitable organizations. However, US tax law allows US individuals and corporations to receive income tax deductions for contributions to a US charitable organization whose main purpose is to support a foreign charitable organization.

Main Functions of the International Foundation:

1. **fundraise from international donors**;
2. **invest these contributions in international financial markets by hiring an international asset manager** to implement the Foundation's investment strategy and investment guidelines;
3. **periodically transfer the Foundation's investment income (and/or part of its capital) to the Russian Foundation** for the purpose of supporting conservation activities in Kamchatka
4. **review the activities and grants of the Russian Foundation**, in order to verify that they conform to the objectives and procedures which are set forth in the Articles of Incorporation and Bylaws of the two foundations; ;
5. **coordinate, and meet at least once each year, with the Russian Foundation's Board and/or Executive Director**, in order to:
   - review and discuss the activities of the two foundations, and
   - agree upon a plan and schedule for transferring the International Foundation's investment income and/or part of its capital to the Russian Foundation during the following year, provided that the International Foundation's Board is satisfied that the Russian Foundation's activities and grants conform to the objectives and procedures which are set forth in the Articles of Incorporation and Bylaws of the two foundations.

Main functions of the Russian Foundation:

1. **promote general and specific conservation policies in Kamchatka**;
2. **formulate long-term strategic plans** and goals for biodiversity conservation, and identify **short-term conservation priorities**;
3. **solicit, review and fund proposals** for projects that address those goals and priorities, in accordance with the procedures set forth in the Russian Foundation's Articles of Incorporation, Bylaws, Operational Guidelines, and in relevant Grant Agreements that the Russian Foundation or the International Foundation may have with particular donors;
4. **monitor, audit and evaluate all projects** that it supports and, if necessary, reduce or terminate support for any projects considered to be unsatisfactory;
5. **solicit donations from Russian individuals, corporations**, and Russian branches of

international corporations, and **spend or invest such donations** in order to support short- and long-term conservation activities in Kamchatka;

6. **utilize revenues it receives from fees and taxes** which are earmarked for protected areas, wild salmonid conservation or other conservation goals; and
7. **report to the International Foundation** on a regular basis about all of its activities, finances and grants; provide any information that is requested by the International Foundation; **meet and collaborate** with the International Foundation to raise funds and for any other reasons that the Boards of either foundation may wish to meet with its counterpart, either directly or through the Executive Directive of the Russian Foundation as an intermediary.

An Umbrella Structure with Separate Accounts

The International Foundation and the Russian Foundations will each have an "umbrella" structure, making it possible for separate funding accounts (i.e., separate funding windows) to be established for particular projects (such as the two UNDP-GEF projects) or particular purposes (such as wild bear conservation). Each separate account will have its own separate

- financial resources,
- set of criteria for awarding grants, and
- Advisory Committee that reviews project proposals and makes recommendations to the Board.

However, all of the separate accounts will be "under the same umbrella". In other words:

- all grants must be approved by the Russian Foundation's Board of Directors;
- the administration, monitoring and evaluation of all grants will be the responsibility of the Russian Foundation's Executive Director and staff, who will also be responsible for preparing reports to the Boards of the two foundations; and
- the assets of all of the separate accounts will be invested together (i.e., "pooled" together) by the same Asset Manager in order to reduce investment fees and commissions, but each separate account will be allocated a share of the total annual net interest and investment income of both foundations that corresponds to its relative shares of their total assets.

Initially, the International Foundation and the Russian Foundation will each set up two separate accounts---- one for the GEF Protected Areas Project and one for the GEF Wild Salmonid Biodiversity Conservation Project. Each Board will also establish a **General Account** for funds which are not earmarked for one of the separate accounts. The Board of Directors of the Russian Foundation may decide to transfer the income that is earned by the General Account to either of these initial two separate accounts, based on the Board's assessment of relative conservation priorities and needs. In the future, **additional separate accounts** could also be established for other restricted purposes if this is requested by particular donors. For example, separate accounts could be established exclusively to fund bear conservation; wild bird conservation; marine mammal conservation; prevention and clean-up of oil spills; indigenous people; or alternative livelihood projects. However, these additional separate accounts would not be eligible to receive any income from the General Account, unless and until all of the financial requirements of the Protected Areas Account and the Wild Salmonid Biodiversity Account have been satisfied

Board Composition and Voting Rules

The I**nternational Foundation's Board** will initially have **5 members:**

- **2 representatives from international donor agencies** (one of whom will be from UNDP during the 6-year period until both GEF projects have been completed);

- **2 representatives from international conservation organizations** (one of whom will be from the Wild Salmon Centre); and
- **1 international financial investment expert** (but who should not be an individual related to the foundation's asset managers, since one of the International Foundation's Board's tasks is to select and oversee the asset managers).

The **Russian Foundation's Board** will initially have **7 members:**

- **3 Russian government representatives** --- one from the Russian Federation Ministry of Natural Resources, one from the Russian Federation State Fisheries Commission, and one from the Kamchatka *Oblast* Administration;
- **2 representatives of Russian conservation organizations** or the legally registered Russian branches, offices or affiliates of international conservation organizations (such as WWF, IUCN, TNC, WCS, or Wild Salmon Centre);
- **2 UNDP-GEF Project Directors** (but only while the 2 UNDP-GEF projects are operating; once these projects end, the Board of the Russian Foundation will have only 7 members).

The Boards of both foundations will make **decisions by majority vote, except for a few specific critical issues** that will require a **unanimous vote** of the Board. These include: decisions to increase or decrease the size of the Board, decisions to amend a foundation's Articles of Incorporation or Bylaws, and decisions to dissolve, liquidate or merge the foundation. The "**quorum**" requirement for both Boards (i.e., the minimum number of Board members who must be present for any meeting or a vote to take place) will be **two-thirds** of the Board members. In the case of a 5-member Board this means that at least 4 of the members must be present, and in the case of a 7-member Board this means that at least 5 members must be present. Board members who participate by video- or tele-conference may be considered as "present" at a Board meeting or vote.

The Board members who represent the specific organizations named above (such as UNDP, Wild Salmon Centre, the two Russian Federation Ministries, and the Kamchatka *Oblast* government) will be **appointed by their respective organizations** and will serve until their organizations appoint a replacement. The other members of the Boards of the two foundations will be **chosen by majority vote** of all the other current Board members, and shall serve **for 3-year staggered terms** (so that no more than two of these members will end their term in a particular year). The **Boards** of the two foundations **could later be expanded** (for example, to include a new major donor) or made smaller, if *all* of the current Board members approve.

Advisory Committees

In addition to their Boards of Directors, each of the two foundations will also have Advisory Committees, some of whose members may also be members of the Boards, but most of whom will be outside experts who are appointed by the respective Boards based on criteria defined in the Foundations'Bylaws.

The **International Foundation** will have a **Financial Advisory Committee** chaired by the member of the International Foundation's Board who is a finance and investment expert. The Financial Advisory Committee will also include two other members who are well-respected finance and investment experts, but who are not Board members and have no voting power. These two members will be appointed by the Board of Directors for 2-year terms, but can be dismissed at any time by a vote of a majority of the Board members. The Financial Advisory Committee will meet whenever requested by the International Foundation's Board, and will provide the Board with whatever advice and information on investment

issues that the Board requests. The reason for establishing a Financial Advisory Committee is so that that the Board will have access to a broader range of expertise, opinions and advice than could be provided by just the single member of the Board who is a financial and investment expert.

The Russian Foundation will have a**:**

- **Protected Areas Advisory Committee**, and a
- **Wild Salmonid Biodiversity Conservation Advisory Committee**

During the remaining term of each of the two UNDP-GEF Projects in Kamchatka, the members of each of these two Advisory Committees **will be the same individuals who serve as members as the Project Steering Committees** for each of the two UNDP-GEF projects. Their terms and conditions of appointment as members of the Advisory Committees will be the same as their terms and conditions of appointment as members of the respective Project Steering Committees. Some of the members of one Advisory Committee could also be members of the other Advisory Committee. **After** either one of the two **UNDP-GEF projects have terminated**, these two Advisory Committees will be **combined into a single** "**Scientific and Technical Advisory Committee**". The members of the Scientific and Technical Advisory Committee will be appointed by the Russian Foundation's Board of Directors (based on criteria set forth in the Bylaws) from among scientific and technical experts in fields that are highly relevant to the objectives and operations of the Foundation, such as ecology, natural resource management, fisheries, ecotourism, community development, indigenous peoples, law, and finance. The members of the Scientific and Technical Advisory Committee will serve for 2-year renewable terms, and will elect a Chairman from among their members at their first meeting. The members of the Scientific and Technical Advisory Committee may at any time, by a vote of at least two-thirds of all its members, ask the Chairman or any other member to resign or not renew his/her term.

The functions of each of the Russian Foundation's Advisory Committees will be to review and make recommendations on project proposals, and provide any other requested technical advice to the Russian Foundation's Board of Directors. The Advisory Committees will function as the Foundation's primary means for reviewing project proposals and making recommendations on short-term and long-term biodiversity conservation needs and priorities in Kamchatka. The Advisory Committees will provide the Board of Directors with sound advice on a proposed project's feasibility, potential for success, anticipated environmental impacts, and requirements for technical and financial assistance. The **Advisory Committees will have no authority to approve or reject funding** for any project proposal, but they may decide to advise the persons or agencies submitting a project proposal on the best ways to improve the proposal before formally submitting the proposal to the Russian Foundation's Board of Directors.

General Principles for Project Selection: Measurable Impact and "Additionality"

The overriding principle governing selection of any project proposal for funding by the Russian Foundation is that the project activity must result in some demonstrable (direct or indirect) benefit to the conservation of Kamchatka's protected areas and/or wild salmonid biodiversity). A secondary principle is that funding for any project should be complementary to other conservation and/or development activities in the same area, and should not substitute for funds, which are already available from other sources or potential sources. All of the Russian Foundation's grants should be based on the principle of supporting *additional* conservation-related activities rather than *replacement* of existing funding.

Recommendations (by the Advisory Committees) and decisions (by the Board of Directors) about whether to fund particular project proposals should also be based on:

- The extent to which the proposed activity supports current and future protected area management plans and biodiversity conservation priorities, and/or supports wild salmonid management plans and biodiversity conservation priorities.
- The extent to which the proposed activity can show replicability or demonstration for similar activities in other protected areas or wild salmonid habitats.
- Demonstrable positive impacts on the conservation of protected areas and wild salmonid habitat (e.g., by reducing the level of demand for resources from those areas).
- Social soundness (e.g., the degree of local representation and community involvement in the identification, development and implementation of project activities).
- Environmental soundness (e.g., particularly with regards to activities proposed for the purpose of integrating conservation with economic development).

In the case of project proposals that are intended to integrate conservation with economic development objectives, recommendations and decisions about whether to fund the project proposal should also be based on:

- The biodiversity conservation value of the area that will be affected by the project's implementation.
- The degree of sustainability and economic viability of the proposed activity, as measured by indicators such as the relevant qualifications and experience of the project's management staff, the project's operational feasibility, market potential, financial soundness, and ability to adjust operations in relation to potential fluctuations in demand for products or levels of visitation.
- The extent to which revenue, employment opportunities or other economic benefits will be received by local communities near the four protected areas or high-priority wild salmonid habitat

Procedures for Submission of Project Proposals

Project proposals should first be submitted to the Russian Executive Director, who shall review (or ask the Russian Foundation's Program Officer to review) the project proposals to ensure that they satisfy the basic criteria for funding by the Russian Foundation. All project proposals satisfying such basic criteria and either

- having a potentially significant environmental impact, or
- for an amount which is greater than 10% of the Russian Foundation's total grants budget for that particular year (i.e., the Foundation's total budget for conservation programs, as distinguished from the Foundation's budget for administrative and operating expenses),

must be reviewed and recommended by a majority of the members of the Advisory Committee(s) before such project proposals can be considered and voted on by the Board of Directors. The Board's decisions (and the Advisory Committees' recommendations) should be based on the criteria and procedures set forth in the Foundation's Bylaws and Operational Manuals, and should be accompanied by a clear statement of the reasons. The Board or Advisory Committees *may* also suggest possible design improvements or budgetary adjustments (e.g., a reduction in the proposed project budget in order to meet funding availability). Any organization may re-submit a proposal up to a maximum of 2 additional times after making changes to the original proposal, or in cases where the only reason for a negative decision was the Foundation's not having enough funds in a particular project cycle

Disclosure and Rules regarding Conflicts of Interest

Board members will be required to disclose (and will be required to abstain from voting on) any proposals that would financially benefit them, their family members, or any organization in which they or their family members have a significant financial interest. Similar disclosure and conflict of interest rules will also apply to Advisory Committee members and staff of the two foundations. Board members and Advisory Committees members will not be able to vote on or recommend the funding of proposals that would either benefit themselves personally, their family members, or the organizations which they represent or in which they have an ownership interest.

Both the Russian foundation and the international trust fund will be audited each year by **independent outside accounting firms**. The results of these audits will be summarized in their respective **Annual Reports**, which will be made available for public inspection.

Administration and Staffing

Although it is planned to legally establish both the International Foundation and the Russian Foundation by the end of 2004, the Russian Foundation will not make any grants, and the International Foundation will not transfer any money to the Russian foundation, until approximately 2 years before the end of each UNDP-GEF project, i.e., until 2006 in the case of the Protected Areas project, and until 2008 in the case of the Salmonid project. Therefore, it will probably not be necessary to hire any staff for the foundations until those dates. Until then, the only activities that need to take place before then are (1) fundraising and (2) hiring and overseeing an asset manager to invest whatever donor contributions are received.

Until an Executive Director is hired for the Russian Foundation in 2006, the Boards of the two foundations can be assisted by UNDP project staff and short-term outside consultants hired by UNDP in carrying out these two limited functions. UNDP project staff will then have around two years before each UNDP-GEF project ends, within which to provide technical assistance and training to the newly hired staff of the Russian foundation, and help work out any difficulties in terms of the procedures for making financial transfers, soliciting and reviewing grant proposals, reporting and monitoring on projects that are funded, setting short-term and long-term conservation priorities, ensuring smooth procedures for relations with government Ministries and agencies, etc.

Since the functions of the Board of the international foundation will always be limited just to (1) fundraising, (2) hiring and overseeing an asset manager, and (3) periodically transferring funds to the Russian foundation after (4) reviewing the Russian foundation's activities and financial accounts, the Board of the international foundation will probably only need to meet once or twice each year. However, special meetings can be convened whenever this is requested by any one of the members of the Board of the international foundation, or by a resolution passed by a majority of the members of the Board of the Russian foundation

Because of its relatively infrequent meetings and relatively limited tasks, there is **no need for the Board of the international foundation to hire any staff or maintain offices**, unless the Board decides to launch public campaigns to solicit contributions from thousands of individuals of the general public, similar to the way that the "Charles Darwin Foundation, Inc." in the US (and similar "Friends of the Galapagos" organizations in European countries) have solicited contributions from the general public in their countries to support the Charles Darwin Research Station and Foundation in Ecuador. Otherwise, some of the organizations represented on the Board of the international foundation (such as Wild Salmon Centre or UNDP) would probably be willing to host Board meetings and voluntarily contribute a small

amount of their staff's time to assist the Board in carrying out its limited functions. If need be, the Board could also occasionally hire short-term consultants to assist it in specific tasks.

On the other hand, **the Board of the Russian foundation will need to hire an Executive Director, a Financial Officer, a Program Officer and an administrative secretary**, starting around one year before the first GEF project ends. Before that time (i.e., before any disbursements for project activities are made), the limited tasks that the Board may need to be perform (such as fundraising within Russia, promoting conservation policies in Kamchatka and setting long-term conservation priorities) can either be done directly by the Board members themselves or with the assistance of UNDP project staff.

The **Executive Director's job responsibilities** will be to prepare reports for the Board; to screen all project proposals and budgets to make sure that they meet the Russian foundation's criteria for funding; to represent the Russian foundation in dealings with government agencies, NGOs, local communities, scientific research institutions, the news media and the general public; and to raise additional funds (directly in the case of Russian donors, and in collaboration with members of the Board of the international foundation in the case of international donors.

The **Financial Officer's job responsibilities** will be to maintain financial accounts and records; keep track of all funds received and all funds expended; assist the Executive Director in preparing financial reports and budget proposals for the Board; and answer any questions from members of the Board relating to financial issues.

The **Program Officer's job responsibilities** will be to technically review and comment on proposals submitted for funding; to inspect, monitor and evaluate projects and activities that are currently being funded; and to assist the Executive Director in preparing reports and proposals to the Board and donors.

After the Russian foundation becomes fully operational, its Board may decide to hire **additional staff**, such as staff with a specialized background in fundraising, media relations, government relations, working with indigenous people, scientific fields, etc. This will depend on the amount of funds that are available while still keeping expenses for staff and administration below 15% to 20% of the foundation's total budget each year (which is the amount generally suggested by the GEF for conservation trust funds, except during the first 2 to 3 years after a fund is first established, when there may be additional one-time expenses). The number of staff may also depend on the way in which the role of Russian Foundation evolves over time, and what new responsibilities it takes on.

Capitalization, Investment, and Annual Budgets

The International Foundation and the Russian Foundation will each combine certain elements of a sinking fund, an endowment fund and a revolving fund. The goal of the international foundation will be to raise a total of **US $4.5 million** from international donors (i.e., US $1.5 million from the GEF and $3 million from other donors) **for each of the two separate accounts** (the Protected Areas Account, and the Wild Salmonid Biodiversity Conservation Account). The resulting total amount of $9 million will be invested by an international Asset Manager(s) hired by the International Foundation's Board (in the case of money from international sources), and by a Russian Asset Manager (in the case of money from Russian sources, whether governmental or private). The contract for each asset manager will specify

- which types of investments will be permitted or not permitted;

- what general allocation should there be between fixed-income investments (e.g., government bonds, corporate bonds, interest-paying bank accounts) and equities (e.g., stocks and other variable investments);
- what should be the relative geographical allocation of the International Foundation's investments in different global financial markets such as Europe, the US, Japan, etc.; and
- what should be the target rate of return on investments (which will determine the average level of risk of the investments, since higher long-term returns are generally associated with higher short-term risks).

The members of the International Foundation's Financial Advisory Committee will play a significant role in advising the Boards of both foundations on these issues, and assisting them in selecting and monitoring the performance of the Foundations' Asset Manager(s).

International charitable organizations typically **set a target of around 5% for the long term rate of return on the investment of their endowments.** However, in order to achieve this 5% "**net"** rate of return, it is usually necessary to obtain approximately a **7.5% "gross" annual rate of return**, since it will be **necessary to annually deduct** the following amounts from the gross rate of return**:**

- **payment of an asset management fee equal to approximately 0.50% to 0.75%** of the total amount of money (i.e., the capital) which is invested,[*] plus
- **reinvestment of an amount equal to approximately 1.75% to 2% of the total amount of money invested, in order to offset for the effect of inflation** and thereby maintain the same "real" value of the capital.[*]

Investments in most of the world's major stock markets have historically (over the last 50 years) generated an average long-term rate of return on investment of around 10%/year. Therefore it should be feasible for the International Foundation's investments to generate an average long-term **gross** rate of return of around 7.5% (assuming for the sake of simplicity that half of the Foundation's assets are invested in fixed-income investments paying an average return of around 5%/year, and half of the assets are invested in stock funds yielding an average long-term return of around 10%). However, since the rates of return on investments in stocks vary considerably from year to year, this is a good reason for investing 40% to 60% of a foundation's assets in lower-yielding but more predictable fixed-income investments. Another standard technique used by many charitable foundations in order to reduce fluctuations in their budgets from year to year because of highly variable rates of return on investments is to adopt a policy of spending the foundation's average annual net rate of return on its investments over the preceding 3 years or 5 years, rather than simply spending the actual net rate of return on investments that the foundation achieved during the immediately preceding 1-year period.

If US $4.5 million is raised during the next two years for each of the two separate accounts (i.e., the Protected Areas Account and the Wild Salmonid Account), and if these amounts are invested by an Asset Manager so as to earn net returns of approximately 5%/year, then this means that **each of the two separate accounts could make conservation grants totalling approximately US $200,000 each year if**

[*] All Asset Managers charge an annual percentage fee for choosing particular stock and bond mutual funds, interest-bearing bank accounts, etc., in which to invest the Foundation's capital (based on the asset allocation strategy and guidelines stipulated by the Foundation's Board), and periodically adjusting (i.e., buying and selling) these investments in response to changing market conditions.

[**] The exact percentage should be based on the average long-term rate of inflation in the countries where the international foundation's capital is invested.

each account is treated in the same way as an endowment, i.e. if only the annual investment income is spent but not the capital, and **also assuming that around 12% of the total annual budget** for both accounts (i.e., around $55,000/year out of the combined average net investment earnings of $450,000 for both accounts) **is allocated to pay for administrative expenses** of the Russian Foundation.

However, $200,000/year will **not be enough to cover the gap in funding** needed to cover the **recurrent expenses** for each of the two GEF projects. This can be seen from the Tables 1 and 2, which illustrate the amount needed in order to cover the gap in funding the recurrent expenses of each UNDP-GEF project:

Table 1: Funding Gap for Recurrent Costs of 4 Protected Areas

	Annual Baseline Funding	**Annual Funding Needs**	**Annual Recurrent Costs to be paid by the Trust Fund and/or other sources**
Kronotsky State Biosphere Reserve	$360,000	$435,000	$75,000
South Kamchatka State Sanctuary	$100,000	$185,000	$85,000
Nalychevo Nature Park	$50,000	$100,000	$50,000
Bystrinsky Nature Park	$102,000	$202,000	$100,000
Total:	$612,000	$922,000	$310,000

Table 2: Funding Gap for Salmonid Biodiversity Conservation Activities

Activities for which the Recurrent costs will be covered	**Annual Baseline Funding**	**Annual Funding Needs**	**Annual Recurrent Costs to be paid by the Trust Fund and/or other sources**
Monitoring, targeted research, and management.	$85,000	$345,000	$260,000
Education, awareness, and productive sector integration	$20,000	$55,000	$35,000
Achieving sustainability	$0	$25,000	$25,000
Total:	$105,000	$425,000	$320,000

The estimated $110,000 to $120,000/year "**funding gap**" between the $200,000 average net amount that will be available each year to make grants to support the conservation activities of each of the 2 separate accounts, and the $310,000 to $320,000 that will be needed in order to fully cover recurrent costs, will have to be filled either by:

- obtaining and **spending revenue from fees** (e.g., protected area entry fees, and fees related to "angler tourism");

- and/or **spending part of the capital** of the each Account each year in addition to spending all of the Account's net interest and investment income.

The first option would constitute the equivalent of combining an endowment with a "**revolving fund**". The second option would be equivalent to transforming an endowment into a "**sinking fund**" (also sometimes called a "**bridging fund**") that will be completely "used up" and "sink" to zero after 22 years, as can be seen from the following Table:[*]

Table 3: The Salmonid Account shown as a 22-year Sinking (Bridging) Fund

Year	Amount of annual investment income that can be used to make grants for salmonid conservation[*] (based on initial capital of $4.5 million)	Amount of capital which needs to be spent (in addition to the investment income) in order to cover the rest of the recurrent costs of salmonid conservation[**]	Amount of capital remaining in the Salmonid Account after spending the amount in the last column
2006	$198,000	$122,000	$4,378,000
2007	$192,632	$127,368	$4,250,632
2008	$187,028	$132,972	$4,117,650
2009	$181,177	$138,823	$3,978,827
2010	$175,068	$144,932	$3,833,895

[*] All Tables and financial projections will need to be significantly revised, however, if it takes longer than just 2 years (or if it turns out not to be possible) to raise $4.5 million for each of the two separate accounts. This cannot be predicted in advance.

On the other, if at least $7.5 million can be raised as capital for either Account, then the "funding gap" will disappear and there will never be a need to spend any part of the capital of the Account. In effect, the Account could be transformed from a sinking fund into an endowment. Investing $7.5 million at a 5%/year long-term average net rate of return (based on the assumptions discussed earlier) would generate $375,000/year in investment income. Assuming that the Russian Foundation would need to spend 12% of this amount (i.e., $48,000/year) to cover its own administrative expenses, this would leave $327,000/year to award as grants. This is slightly more than the $310,000/year or $320,000/year which Tables 1 and 2 demonstrate is required to cover all the recurrent expenses of implementing the biodiversity conservation activities initiated by either of the UNDP-GEF Projects.

[*] This is calculated by multiplying the remaining capital of the Wild Salmonid Account by the 5% net rate of return that is estimated can be obtained by investing this remaining capital, and then subtracting 12% to cover the costs of administering conservation grants.

[**] This represents the amount of recurrent costs that still remain to be covered (even after spending all of net annual investment income) in order to bridge the annual $320,000 funding gap identified in Table 2.

2011	$168,691	$151,309	$3,682,586
2012	$162,034	$157,966	$3,524,620
2013	$155,083	$164,917	$3,359,703
2014	$147,827	$172,173	$3,187,530
2015	$140,251	$179,749	$3,007,781
2016	$132,342	$187,658	$2,820,123
2017	$124,085	$195,915	$2,624,208
2018	$115,465	$204,535	$2,419,673
2019	$106,466	$213,534	$2,206,139
2020	$ 97,070	$222,930	$1,983,209
2021	$ 87,261	$232,739	$1,750,470
2022	$ 77,020	$242,980	$1,507,490
2023	$ 66,330	$253,670	$1,253,820
2024	$ 55,168	$264,832	$ 988,988
2025	$ 43,515	$276,485	$ 712,503
2026	$ 31,350	$288,650	$ 423,853
2027	$ 18,646	$301,354	$ 122,499
2028	$ 5,389	$314,611	$ 0

Unlike a typical 5-year or 7-year bridging fund, a 22-year sinking fund is (practically speaking) virtually equivalent to an endowment. It certainly constitutes a "long-term" funding mechanism. However, **some donors have policies against contributing to endowments or long-term funds**. Some bilateral aid agencies (such as SIDA and DANIDA, the Swedish and Danish bilateral aid agencies) are even subject to a legal requirement that all of their grants must be fully spent within a relatively short time period (such as 3 years or 5 years). However, it may be possible to overcome such difficulties by *spending all* of these particular donors' money within a relatively short time period, while *not spending any* of the money contributed by the other donors (i.e., the donors who are willing to contribute to endowments) during that same time period. Instead, the latter donors' money could simply be left to accumulate investment income that could be used to support future conservation projects, after the former donors' money is all spent.

Potential Donors

So far, the following **donors seem likely to contribute:**

- **GEF** has agreed to contribute $1.5 million to the Protected Areas Account, if other donors provide a 2:1 match, and a similar amount to the Salmonid account.
- **Wild Salmon Centre** has made a commitment to raise $2 million for the Salmonid Account
- **UN Foundation** has informally expressed an interest in contributing to one or both of the separate accounts, in an amount that could be as high as $1 million to $2.5 million, if this is matched at least 2:1 by other donors such as the Moore Foundation, and also depending on several other factors.

In addition to the money that the International Foundation will try to raise from international donors, UNDP's Moscow- and Kamchatka-based staff, together with the Board and Executive Director of the

Russian foundation, will also try to raise funds from **Russian individuals, corporations, foundations and government agencies**.*

Next Steps

The following Table shows the steps that need to be taken during the 5-year period between the legal establishment of the two foundations in late 2004 and the termination of the 2 UNDP-GEF Projects in 2008 and 2010.

Timetable for Establishing and Operationalising the Kamchatka Conservation Fund

Output:	2004	2005	2006	2007	2008	2009	2010
Legally establish the International Foundation and appoint Board members	■						
Legally establish the Russian Foundation, appoint Board members and Exec.Director	■						
Raise $6million from other donors in order to obtain $2 million from GEF		■					
Intl. Fdtn. invests donor contributions and transfers annual income to Russian Fdtn.			■	■	■	■	■
Intl. Fdtn. and Russian Fdtn. each raise additional contributions to increase capital			■	■	■	■	■
Open an office for the Russian Foundation, & select and train its staff			■				
Russian Foundation solicits grant proposals			■	■	■	■	■
Russian Foundation awards and disburses grants				■	■	■	■
GEF "Protected Areas" Project finishes					■	■	■
GEF "Wild Salmonid" Project finishes							■

* Any contributions in rubbles that are not going to be immediately awarded as grants for conservation projects can be invested in Russian banks or financial markets by a Russian Asset Manager whom the Board of the Russian foundation hires for this purpose. Investments in Russia may be able to obtain higher average rates of return than investments in more developed international financial markets, but may also be associated with higher volatility and risk.

Strategic approach for capitalization of the Kamchatka Biodiversity Conservation Trust Fund (KBCTF)

Introduction:

Engaging donors and others to commit to capitalization of the Protected Areas Trust Fund, originally envisaged by the Kamchatka Protected Areas project, has proven more difficult than expected, in light of changing donor priorities and other factors. The project team has analysed its experience over the past two years and proposes changes to their approach to establishing a mechanism to provide sustained financing to conservation activities. This new approach is the subject of this note.

A fundamental premise of this new approach is the consolidation of what had originally been proposed to be two separate GEF co-financed trust funds in Kamchatka - initially planned as distinct financing mechanisms for the Kamchatka Protected Areas Project and the Salmonids Conservation Project - into a single **Kamchatka Biodiversity Conservation Trust Fund (KBCTF)**.

The benefits of consolidating the two Trust Funds into one are (1) accumulation and balancing of a larger investment portfolio; (2) having a more comprehensive (not conflicting or duplicative) resource mobilization strategy and addressing donors in a more programmatic manner; (3) obtaining net savings in inception and administration costs; (4) increased potential to mobilize resources and fund new conservation programmes in an "umbrella-type" biodiversity conservation foundation.

Each project and its objectives would be served by separate accounts within the overall Trust Fund (KBCTF). The projects, as originally approved, allocated US$ 1.5 M each to their respective Trust Funds. In this new scenario of a consolidated Trust Fund, each account would be capitalized with the originally approved US$ 1.5 M from GEF plus a leveraged amount from donors and others. In the Salmonids project design, Trust Fund capitalization is planned for Phase II of the project (corresponding to year 5), and thus GEF resources will only be sought to capitalize the Salmonids account in 2007.[6]

The difficulties experienced by the project in successfully engaging donors inevitably implies a heightened sense of risk in using GEF funding as partial capitalization in the establishment of the Trust Fund. **This risk will be mitigated by explicitly tying release of GEF capitalization funds to receipt or otherwise credible commitment of the requested co financing by other donors. No GEF funding will be released to capitalize the KBCTF without deposit of the co financing as stipulated in the Project Document (2:1 non-GEF to GEF).**

[6] The incrementality of GEF's contribution towards the salmon conservation in Kamchatka and the feasibility of establishing and co-funding the Salmonid Trust Fund were justified in the original Salmonids Project Document that was endorsed by GEF Council in October 2002. The assumption underlying the design of this financial mechanism is that the significant value of the salmonid-use activities in Kamchatka and worldwide makes it feasible eventually to create a long-term "re-investment," or revolving fund mechanism, to channel revenue from salmonid-use activities back into salmonid diversity conservation. Meanwhile, Russia is a country in transition from a centrally planned economy to a market-based economy. This transition has meant significant budget shortfalls in all Government programs and especially dramatic funding cuts in conservation programs. Despite the Government's policy goals and existing baseline funding, there remains a considerable unmet, annual funding need for salmonid diversity conservation. It is reasonable to expect that this conservation-funding gap will hamper salmonid conservation for the next 15-20 years. Recognizing this probability, the project plans to establish a salmonid diversity conservation account within the **Kamchatka Biodiversity Conservation Trust Fund (KBCTF)** to bridge the funding gap, and secondly, to establish a revolving fund to support the re-current costs of salmonid diversity conservation programs operationalised by the GEF project.

In addition to the Trust Fund, the following efforts are under to way to complement the TF strategy vis a vis project sustainability:

- *Strengthening governmental funding for PA management and development.* Despite recent policy and structural changes within the government, the federal and regional funding allocated to protected areas management has been gradually increasing over the last several years. These positive trends have been reconfirmed in 2005 budget plans – both federal and regional. Furthermore, with the federal law of August 2004, all regional nature parks are transferred to federal jurisdiction as of January 2005. While these changes imply a number of difficulties during the transition period, they obviously demonstrate the commitment of the government to stabilize financing, regulatory and legislative frameworks in this field. In accordance with the new law, an allocation of resources for nature park management has been included in the federal budget for 2005. With the governmental decision to transfer regional PAs to federal jurisdiction, there is a potential for more stable budgetary funding and staffing levels. There are still many legal and institutional issues to be resolved to ensure smooth transition and functioning/funding of nature parks; the project will support both regional and federal governments to resolve these issues. The project has been successfully lobbying for an increased regional and national funding to Kamchatka PA system. This work with the State Duma, the Ministry of Natural Resources, the regional administration and legislative council will be continued.
- *Optimisation of PA management structure in Kamchatka to ensure more collaborative management and cost savings*. The project will propose ways to reduce operational costs of regional PAs (nature parks) by combining separate nature parks into a cluster protected area (park).
- *Introduction and implementation of PA revenue generating mechanisms in Kamchatka and ensuring that the revenues are used to offset the recurrent costs of PA management.*
- *Promoting further a notion of environmental services generated by the protected areas (linked to i.3)*
- *Building PAs capacity for closer involvement in ecotourism activities, environmental education and provision of training* (through a joint training centre) to diversify potential sources of extra-budgetary funding
- *Supporting the PAs in building international cooperation* and twins-relationships with other PAs and international environmental agencies.

Background and objectives of the Trust Fund:

Kamchatka's biodiversity is now threatened as a result of unlimited access to Kamchatka's protected areas; poaching and illegal harvesting of natural resources (particularly salmonids) beyond ecologically sustainable levels; and a lack of resources to manage and control forest fires. Following the economic crisis of the late 90s, there was a dramatic decrease in national financing of biodiversity conservation activities. Since then, Government financing for protected areas management and biodiversity conservation has been gradually improving, however it cannot match the critical funding gap faced by the protected areas nor cover PA development and recurrent costs of management. The biggest obstacle to addressing these problems is a **lack of adequate financing** for enforcement, management planning, research, and assistance to local people in development of alternative, environmentally sustainable livelihood opportunities. It is thus urgently necessary to develop alternative mechanisms to finance the conservation of Kamchatka's globally significant biodiversity.

- The **long-term objective** of the trust fund will be to provide sufficient resources to conserve as much as possible of Kamchatka's globally significant biodiversity, by not only continuing support to the important conservation activities that are now being financed by the two GEF projects, but also by providing financing to address other conservation issues and priorities that will emerge in the future. The Kamchatka Biodiversity Conservation Trust Fund (KBCTF) will be a combination of revolving, endowment and sinking funds depending on donor preference, revenue generation and other factors. Resources from different donors/sources will be maintained in different accounts to ensure transparent management and reporting]. It will have a two-tier structure, including an internationally registered Trust Fund and a Russian Foundation.

Results of the preliminary analysis of potential funding sources:
During 2003-2004, a number of preliminary resource mobilization activities were undertaken by the project to define initial willingness of various donor groups to invest in the KBCTF. This included a feasibility study conducted by an international expert to review the priorities of bilateral donors and international organizations and their perceptions of the KBCTF (report available); consultations at the V World Parks Congress; missions by the project manager to USA and Canada and meetings with various grant-making organizations and agencies; consultations with project partners (WCS, WSC, WILD Foundation) a working round table in Moscow with representatives from Moscow-based environmental NGOs; and a field trip for potential Russian donors. The following conclusions were drawn from this analysis:

(1) International and bilateral donors are not prepared to invest in Kamchatka biodiversity conservation at this stage. The reasons for this vary but can be summarized as follows:
   - regional and thematic preferences of international donors: Kamchatka is not a priority region, and biodiversity conservation is not as high a priority as others like poverty alleviation, crisis prevention and recovery, etc. As its economy grows, Russia is gradually declining in importance in the assistance strategies of major donors.
   - donors are rethinking their policies on investing in environment Trust Funds in general, as a result of reports on various TF operations around the world. Nevertheless, international experience with Trust Funds demonstrates positive as well as less effective lessons;
   - Kamchatka does not yet have the visibility in the international community as a biodiversity and/or ecotourism attraction as better known areas in the tropics and elsewhere - a long-term international branding and promotion effort is required to build up awareness about this region around the world.

(2) In the nearest future Russian sources and, in particular the private sector, appear to be the most realistic potential sources of co-funding for the TF.

(3) Consolidation of the Salmonid and Protected Areas TFs will clearly bring a number of benefits to both projects and specifically to the PA project. These benefits might include: coordinated resource mobilization efforts; reduced inception and administrative costs; attractiveness of a Kamchatka salmon brand for potential donors including the commercial sector and others.

(4) Registration of the foundations (both Russian and international) will be an important step at this stage to continue and intensify the project's resources mobilization efforts.

Strategic Approach to Capitalization (2005-2006):

<u>Russian-based Foundation and donors:</u>

- Following preliminary discussions and meetings in Kamchatka and Moscow, a number of companies were identified which have or may have in future an interest in Kamchatka or concrete plans for doing business in the region. These companies were targeted for the next phase of

consultations. In particular, the project will continue consultations with Rosneft and Gazprom, RAO UES, Vneshtorgbank, Bank of Moscow. New information on the outcomes of these consultations should be available in March 2005.

- The project will continue development of PA revenue generation mechanisms, aimed at ensuring a more sustainable stream of income to the TF to offset recurrent costs.

- The project will search for a potential professional investment manager and fund-raising advisor for the Russian Foundation.

International Foundation and potential donors:

- As noticed in the analysis above, separate time- and resource-consuming efforts are required to promote Kamchatka as a globally important biodiversity site and ecotourism attraction; this will create a more favourable environment for outreach to international donors. This work is planned and will be financed in the project (see next para).

- A more targeted approach including donor field trips will be utilized to work with potential donors (July-September 2005) – this has demonstrated good results with Russian donors. The project will build on existing contacts and partnerships to identify new potential sources of funding for an international foundation.

- Negotiations will continue with the Wild Salmon Centre and Gordon and Betty Moore Foundation – both provided encouraging feedback during previous meetings in February and September 2004. As well, discussions will be continued with the Wildlife Conservation Society with the purpose of consolidating the efforts of the GEF project with the WCS bear conservation programme in Kamchatka.

Kamchatka branding

General promotion of the Kamchatka region in the international arena as a unique biodiversity site and an ecotourism attraction will lay the ground for further resource mobilization efforts. The project will collaborate with the Kamchatka Regional Administration and other international projects to promote a "Kamchatka brand" among the international community. The Kamchatka regional administration allocated an equivalent of $70,000 for this purpose for 2004-2005. The new UNDP project funded by UNF has been developed and focuses specifically on promoting Kamchatka as a destination through information campaigns and liaison with international tour operators. The international marketing of Kamchatka's brand will be a joint effort of the GEF project, the UNF-funded initiative and regional authorities. These activities have begun already with the development and distribution of an English language information bulletin "Kamchatka Explorer" (co-funded) and a completed feasibility study on ecotourism promotion (UNF-WSC).

Consolidation with the proposed Salmonids Trust Fund

As noted above, the overall Trust Fund concept has been revised to reflect consolidation of Salmonid and PA TFs with the further intention to integrate various conservation programmes in an "umbrella" Kamchatka Biodiversity Conservation TF. The new Fund will require more explicit reporting systems, but will also increase flexibility in resource mobilization. These factors were taken into account in the concept, TF management structure and operating manuals (see Concept attached). The entire package of TF documentation will be completed in 2004.

GEF funding:
It is recommended that the Trust Fund component be included in Phase II of the PA project proposal, and, as originally planned, $1.5 million be allocated in both of the two GEF project budgets for Trust Fund capitalization. ***However, release of the GEF financing for TF capitalization will only be done provided the required matching funding from other donors is secured.*** A thorough review of the progress in TF operations/capitalization will be made as part of the Phase II mid-term evaluation (3d year of the Phase II project). Recommendations of the mid-term review will be the basis for decisions regarding investment of GEF funding in the TF or potential reallocation of these resources to other purposes.

Some concrete steps to be taken in the nearest future include:

1. Registration of the Russian and International Foundations. Registration of both foundations will be completed in 2004. This will allow the project to conduct more practical discussions with potential donors.
2. Establishing Advisory Boards and other elements of management structures. There is an understanding among the project team of the future membership of the Russian Foundation Advisory Board. Following registration, a round table is planned to launch the Trust Fund, and potential donors, government representatives and leading environmental NGOs will be invited to join the Advisory Board and/or other TF structures.
3. Organization of and participation in targeted publicity events.

ANNEX N: BIODIVERSITY TRACKING TOOL

Tracking Tool for
GEF Biodiversity Focal Area Strategic Priority One:
"Catalysing Sustainability
of Protected Areas"

Section One: Project General Information

1. Project name: **Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas of Russian Kamchatka Oblast – Phase II**

2. Country (ies): Russian Federation

National Project: **X** Regional Project:_____ Global Project:_____

3. Name of reviewers completing tracking tool and completion dates:

	Name	Title	Agency
Work Program Inclusion	**Vladimir Elchaparov**	**National Project expert**	**UNDP**
Project Mid-term			
Final Evaluation/project completion			

4. Funding information

GEF support: US$5,500,000
Co-financing: US$ 9,925,000
Total Funding: US$15,425,000

5. Project duration: ***Planned*** 5 years ***Actual*** _____ years

6. a. GEF Agency: **X** UNDP □ UNEP □ World Bank □ ADB □ AfDB □ IADB □ EBRD □ FAO □ IFAD □ UNIDO

6. b. Lead Project Executing Agency (ies): Ministry of Natural Resources
7. GEF Operational Program:
□ drylands (OP 1)
□ coastal, marine, freshwater (OP2)
□ forests (OP 3)
X mountains (OP 4)
□ agro-biodiversity (OP 13)
□ integrated ecosystem management (OP 12)

□ sustainable land management (OP 15)
Other Operational Program not listed above:_____

8. Project Summary (one paragraph): The four protected areas were selected as the most representative models for the Far East and whole Russia PA system for the implementation of this project. These protected areas are: Kronotsky State Biosphere Zapovednik (Reserve), South Kamchatsky State Zakasnik (Sanctuary) under Kronotsky Zapovednik, Bystrinsky regional Natural park and Nalychevo regional Natural park. Thus, two federal PAs and two local PAs are involved which represents a precedent on collaboration and systematic activities among PAs of different levels. This innovation, should it be successful, would be disseminated in other Russian regions. These four protected areas have different mode of management, different experience and capacity and therefore their involvement into GEF project would gain a model of their effective collaboration and interaction as well as best practices and lessons learned for dissemination in other PAs systems in Kamchatka, Russian Far East and Russia. This full size project, initially designed as a seven-year intervention to help secure the globally significant biodiversity values of the Kamchatka Peninsula's protected areas, was approved by GEF Council in 2001. The first phase was completed at the end of December 2004 and the Prodoc is being submitted in order to cover the final five years of the project, 2005 - 2009.

9. Project Development Objective: The project's goal or development objective is to help secure the globally significant biodiversity values of the Kamchatka Peninsula's protected areas.

10. Project Purpose/Immediate Objective: Its immediate objective is to demonstrate approaches for sustainable and replicable conservation of biodiversity in four existing protected areas as a model for a sustainable system of protected areas in Kamchatka.

11. Expected Outcomes (GEF-related):

OUTCOME 1. The effectiveness of the four protected areas in conserving their biodiversity will be improved through strengthened institutional capacity for their governance and management;
OUTCOME 2: Sustainable alternative biodiversity-supporting economic development activities for local communities will be promoted so as to decrease pressure on the PAs' biodiversity, and community involvement in conservation will be increased;
OUTCOME 3: Awareness of and support for biodiversity conservation and sustainable development will be heightened among all stakeholders;
OUTCOME 4: Sustainable protected area and biodiversity conservation supporting financing mechanisms will be established; and
OUTCOME 5: Mechanisms for transferring and replicating best practices and lessons learned will be developed and implemented through ministerial and NGO channels throughout Kamchatka and the Russian Federation.

12. Types of Protected Area Activities Supported:

12. a. Please select all activities that are being supported through the project.

X Enabling Environment (please check each activity below)

X Policy, legislation, regulation

X Capacity building
Capacity building budget:US$ 270,000 (Outcomes 1,2,3,5)
(Please record budgets for capacity building if they are clearly identified as a discrete budget line.)
Comments on Capacity Building: Please note if capacity building is geared towards indigenous and local communities:
The project will outreach local communities through outcomes 2,3,4

X Education and awareness raising
X Institutional arrangements

X Finance and incentives

X Replication and scaling up

X Management practices related to status of biodiversity

12. b. Is carbon sequestration an objective of the project (This question is included for purposes related to the GEF-3 targets for the Climate Change focal area)

____Yes **X** No

The estimated amount of carbon sequestered is: N/A

13. Project Replication Strategy

13. a . Does the project specify budget, activities, and outputs for implementing the replication strategy? Yes X No __

13. b. For all projects, please complete box below. An example is provided.

Replication Quantification Measure	**Replication Target Foreseen at project start**	**Achievement at Mid-term Evaluation of Project**	**Achievement at Final Evaluation of Project**
OUTCOME 5: Mechanisms for transferring and replicating best practices and lessons learned will be developed and implemented through ministerial and NGO channels throughout Kamchatka and the Russian Federation	40 PA managers from other Russian regions are trained at joint seminars, dissemination methodological materials are prepared and distributed through ministerial and NGO network		

14. Scope and Scale of Project:
Please complete the following statements.

14.a. The project is working in:

____a single protected area
X __multiple protected areas
X____ national protected area system

14.b. The level of the intervention is:
____ global
____ regional
X national
X subnational

14. c. Please complete the table below. An example is completed.

Targets and Timeframe **Project Coverage**	**Foreseen at project start**	**Achievement at Mid-term Evaluation of Project**	**Achievement at Final Evaluation of Project**
Extent in hectares of protected areas targeted by the project		**2,461,134 ha**	

14. d. Please complete the table below for the protected areas that are the target of the GEF intervention. Use NA **for not applicable. Examples are provided below.**

Name of Protected Area	Is this a new protected area? Please answer yes or no.	Area in Hectares	Global designation or priority lists (E.g., Biosphere Reserve, World Heritage site, Ramsar site, WWF Global 200, etc.)	Local Designation of Protected Area (E.g, indigenous reserve, private reserve, etc.)	IUCN Category for each Protected Area[7]					
					I	II	III	IV	V	VI
1. Kronotsky Zapovednik	**No**	**1 142 134**	**World Heritage site WWF Global 200**	**State reserve**	X					
2. Natural Park Bystrinsky	**No**	**1 032 000**	**WWF Global 200 World Heritage site**	**Nature park**					X	
3. Natural park Nalychevo	**No**	**287 000**	**WWF Global 200 World Heritage site**	**Nature park**					X	

[7]

I. Strict Nature Reserve/Wilderness Area: managed mainly for science or wilderness protection
II. National Park: managed mainly for ecosystem protection and recreation
III. Natural Monument: managed mainly for conservation of specific natural features
IV. Habitat/Species Management Area: managed mainly for conservation through management intervention
V. Protected Landscape/Seascape: managed mainly for landscape/seascape protection and recreation
VI. Managed Resource Protected Area: managed mainly for the sustainable use of natural ecosystems

Section Two: World Bank/WWF Site-Level Management Effectiveness Tracking Tool for Protected Areas

NOTE: South Kamchatka State Sanctuary is functionally subordinated to Kronotsky Zapovednik and therefore they were evaluated as one PA for baseline METT exercise during phase I.

(1.)

Name of protected area	**Kronotsky zapovednik (strictly protected area)**		
Location of protected area (country, ecoregion, and if possible map reference)	Russia, Kamchatka		
Date of establishment (distinguish between agreed and gazetted*)	Agreed 1935	Gazetted 1935	
Ownership details (i.e. owner, tenure rights etc)	Ministry of Natural resources		
Management Authority	Ministry of Natural resources		
Size of protected area (ha)	1,142,134.00		
Number of staff	Permanent 58	Temporary 0	
Annual budget (US$)	263 775,00		
Designations (IUCN category, World Heritage, Ramsar etc)	IIUCN category - Ia World Heritage Site		
Reasons for designation	Diversity of Kamchatka Mountain landscapes, biodiversity of animals and plants, rare and endemic species of animals and plants		
Brief details of World Bank funded project or projects in PA	N/A		
Brief details of WWF funded project or projects in PA	Core support, conservation & management improvement, education		
Brief details of other relevant projects in PA			
List the two primary protected area objectives			
Objective 1	Conservation of rare species and mountain ecosystems		
Objective 2	Research and monitoring		
List the top two most important threats to the PA (and indicate reasons why these were chosen)			
Threat 1	Poaching. Population of rare mammals (brown bears) and salmon species could be decreased in the coming years due to growing poaching, mainly by locals		
Threat 2	Uncontrolled tourism. Ecosystems are extremely fragile and even sporadic tourists groups can damage the balance		
List top two critical management activities			
Activity 1	Guarding		

Activity 2	Ecosystem monitoring

Name/s of assessor (including people consulted) and date assessment carried out: Vladimir Elchaparov, Vitaly Menshikov. Contact details (email): elchaparov@unkam.ru

Issue	Criteria	Score	Comments	Next steps
1. Legal status Does the protected area have legal status? *Context*	The protected area is not gazetted	0	*Note*: see fourth option for private reserves	
	The government has agreed that the protected area should be gazetted but the process has not yet begun	0		
	The protected area is in the process of being gazetted but the process is still incomplete	0		
	The protected area has been legally gazetted (or in the case of private reserves is owned by a trust or similar)	3		
2. Protected area regulations Are inappropriate land uses and activities (e.g. poaching) controlled? *Context*	There are no mechanisms for controlling inappropriate land use and activities in the protected area	0		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist but there are major problems in implementing them effectively	0		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist but there are some problems in effectively implementing them	2		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist and are being effectively implemented	0		
3. Law enforcement Can staff enforce protected area rules well enough? *Context*	The staff have no effective capacity/resources to enforce protected area legislation and regulations	0	Poor management and limited budget for patrolling	Improve management, fundraising for additional budget
	There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget)	1		
	The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain	0		
	The staff have excellent capacity/resources to enforce protected area legislation and regulations	0		
4. Protected area objectives Have objectives been agreed? *Planning*	No firm objectives have been agreed for the protected area	0		
	The protected area has agreed objectives, but is not managed according to these objectives	0		
	The protected area has agreed objectives, but these are only partially implemented	2		
	The protected area has agreed objectives and is managed to meet these objectives	0		
5. Protected area design	Inadequacies in design mean achieving the protected areas major management objectives of the protected area is impossible	0	*Possible issue for comment*: does the protected area contain different	

Issue	Criteria	Score	Comments	Next steps
Does the protected area need enlarging, corridors etc to meet its objectives? *Planning*	Inadequacies in design mean that achievement of major objectives are constrained to some extent	0	management zones and are these well maintained?	
	Design is not significantly constraining achievement of major objectives, but could be improved	2		
	Reserve design features are particularly aiding achievement of major objectives of the protected area	0		
6. Protected area boundary demarcation Is the boundary known and demarcated? Context	The boundary of the protected area is not known by the management authority or local residents/neighbouring land users	0	*Possible issue for comment*: are there tenure disagreements affecting the protected area?	
	The boundary of the protected area is known by the management authority but is not known by local residents/neighbouring land users	0		
	The boundary of the protected area is known by both the management authority and local residents but is not appropriately demarcated	2		
	The boundary of the protected area is known by the management authority and local residents and is appropriately demarcated	0		
7. Management plan Is there a management plan and is it being implemented? *Planning*	There is no management plan for the protected area	0	Management plan was developed during phase I of the current GEF project	Management plan to be implemented during phase II of the GEF project
	A management plan is being prepared or has been prepared but is not being implemented	1		
	An approved management plan exists but it is only being partially implemented because of funding constraints or other problems	0		
	An approved management plan exists and is being implemented	0		
Additional points *Planning*	The planning process allows adequate opportunity for key stakeholders to influence the management plan	0		
	There is an established schedule and process for periodic review and updating of the management plan	+1		
	The results of monitoring, research and evaluation are routinely incorporated into planning	0		
8. Regular work plan Is there an annual work plan?	No regular work plan exists	0	Annual work plans are developed during phase I of the GEF project	
	A regular work plan exists but activities are not monitored against the plan's targets	0		
	A regular work plan exists and actions are monitored against the plan's targets, but many activities are not completed	2		

Issue	Criteria	Score	Comments	Next steps
Planning/Outputs	A regular work plan exists, actions are monitored against the plan's targets and most or all prescribed activities are completed	0		
9. Resource inventory Do you have enough information to manage the area? *Context*	There is little or no information available on the critical habitats, species and cultural values of the protected area	0		
	Information on the critical habitats, species and cultural values of the protected area is not sufficient to support planning and decision making	0		
	Information on the critical habitats, species and cultural values of the protected area is sufficient for key areas of planning/decision making but the necessary survey work is not being maintained	2		
	Information concerning on the critical habitats, species and cultural values of the protected area is sufficient to support planning and decision making and is being maintained	0		
10. Research Is there a programme of management-orientated survey and research work? *Inputs*	There is no survey or research work taking place in the protected area	0		
	There is some *ad hoc* survey and research work	0		
	There is considerable survey and research work but it is not directed towards the needs of protected area management	2		
	There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs	0		
11. Resource management Is the protected area adequately managed (e.g. for fire, invasive species, poaching)? *Process*	Requirements for active management of critical ecosystems, species and cultural values have not been assessed	0		
	Requirements for active management of critical ecosystems, species and cultural values are known but are not being addressed	0		
	Requirements for active management of critical ecosystems, species and cultural values are only being partially addressed	2		
	Requirements for active management of critical ecosystems, species and cultural values are being substantially or fully addressed	0		
12. Staff numbers Are there enough people employed to manage the protected area? *Inputs*	There are no staff	0		
	Staff numbers are inadequate for critical management activities	1		
	Staff numbers are below optimum level for critical management activities	0		
	Staff numbers are adequate for the management needs of the site	0		

Issue	Criteria	Score	Comments	Next steps
13. Personnel management Are the staff managed well enough? *Process*	Problems with personnel management constrain the achievement of major management objectives	0		
	Problems with personnel management partially constrain the achievement of major management objectives	1		
	Personnel management is adequate to the achievement of major management objectives but could be improved	0		
	Personnel management is excellent and aids the achievement major management objectives	0		
14. Staff training Is there enough training for staff? *Inputs/Process*	Staff are untrained	0	Comprehensive training programme is planned for phase II of the GEF project	
	Staff training and skills are low relative to the needs of the protected area	1		
	Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management	0		
	Staff training and skills are in tune with the management needs of the protected area, and with anticipated future needs	0		
15. Current budget Is the current budget sufficient? *Inputs*	There is no budget for the protected area	0		
	The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage	1		
	The available budget is acceptable, but could be further improved to fully achieve effective management	0		
	The available budget is sufficient and meets the full management needs of the protected area	0		
16. Security of budget Is the budget secure? *Inputs*	There is no secure budget for the protected area and management is wholly reliant on outside or year by year funding	0		
	There is very little secure budget and the protected area could not function adequately without outside funding	0		
	There is a reasonably secure core budget for the protected area but many innovations and initiatives are reliant on outside funding	2		
	There is a secure budget for the protected area and its management needs on a multi-year cycle	0		
17. Management of	Budget management is poor and significantly undermines effectiveness	0		

Issue	Criteria	Score	Comments	Next steps
budget Is the budget managed to meet critical management needs? *Process*	Budget management is poor and constrains effectiveness	1		
	Budget management is adequate but could be improved	0		
	Budget management is excellent and aids effectiveness	0		
18. Equipment Is equipment sufficient? *Process*	There is little or no equipment and facilities	0		
	There is some equipment and facilities but these are wholly inadequate	0		
	There is equipment and facilities, but still some major gaps that constrain management	2		
	There is adequate equipment and facilities	0		
19. Maintenance of equipment Is equipment adequately maintained? *Process*	There is little or no maintenance of equipment and facilities	0		
	There is some *ad hoc* maintenance of equipment and facilities	1		
	There is maintenance of equipment and facilities, but there are some important gaps in maintenance	0		
	Equipment and facilities are well maintained	0		
20. Education and awareness programme Is there a planned education programme? *Process*	There is no education and awareness programme	0		
	There is a limited and *ad hoc* education and awareness programme, but no overall planning for this	0		
	There is a planned education and awareness programme but there are still serious gaps	2		
	There is a planned and effective education and awareness programme fully linked to the objectives and needs of the protected area	0		
21. State and commercial neighbours Is there co-operation with adjacent land users?	There is no contact between managers and neighbouring official or corporate land users	0		
	There is limited contact between managers and neighbouring official or corporate land users	1		
	There is regular contact between managers and neighbouring official or corporate land users, but only limited co-operation	0		

Issue	Criteria	Score	Comments	Next steps
Process	There is regular contact between managers and neighbouring official or corporate land users, and substantial co-operation on management	0		
22. Indigenous people Do indigenous and traditional peoples resident or regularly using the PA have input to management decisions? *Process*	Indigenous and traditional peoples have no input into decisions relating to the management of the protected area	0	N/A	
	Indigenous and traditional peoples have some input into discussions relating to management but no direct involvement in the resulting decisions	0		
	Indigenous and traditional peoples directly contribute to some decisions relating to management	0		
	Indigenous and traditional peoples directly participate in making decisions relating to management	0		
23. Local communities Do local communities resident or near the protected area have input to management decisions? *Process*	Local communities have no input into decisions relating to the management of the protected area	0	There are no local communities living within PA	
	Local communities have some input into discussions relating to management but no direct involvement in the resulting decisions	0		
	Local communities directly contribute to some decisions relating to management	0		
	Local communities directly participate in making decisions relating to management	0		
Additional points *Outputs*	There is open communication and trust between local stakeholders and protected area managers	+1		
	Programmes to enhance local community welfare, while conserving protected area resources, are being implemented	0		
24. Visitor facilities Are visitor facilities (for tourists, pilgrims etc) good enough? *Outputs*	There are no visitor facilities and services	0	*Possible issue for comment*: Do visitors damage the protected area? All measures are undertaken to minimize the damage	
	Visitor facilities and services are inappropriate for current levels of visitation or are under construction	0		
	Visitor facilities and services are adequate for current levels of visitation but could be improved	2		
	Visitor facilities and services are excellent for current levels of visitation	0		
25. Commercial tourism Do commercial tour operators contribute to protected area	There is little or no contact between managers and tourism operators using the protected area	0	*Possible issue for comment*: examples of contributions Regular excursions are held by local helicopter company acting as tour operator	
	There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters	0		
	There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain protected area values	2		

Issue	Criteria	Score	Comments	Next steps
management? *Process*	There is excellent co-operation between managers and tourism operators to enhance visitor experiences, protect values and resolve conflicts	0		
26. Fees If fees (tourism, fines) are applied, do they help protected area management? *Outputs*	Although fees are theoretically applied, they are not collected	0	Fees are not applied in strictly PAs	
	The fee is collected, but it goes straight to central government and is not returned to the protected area or its environs	0		
	The fee is collected, but is disbursed to the local authority rather than the protected area	0		
	There is a fee for visiting the protected area that helps to support this and/or other protected areas	0		
27. Condition ass ess me nt Is the protected area being managed consistent to its objectives? *Outcomes*	Important biodiversity, ecological and cultural values are being severely degraded	0	*Possible issue for comment:* It is important to provide details of the biodiversity, ecological or cultural values being affected	
	Some biodiversity, ecological and cultural values are being severely degraded	0		
	Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted	0		
	Biodiversity, ecological and cultural values are predominantly intact	3		
Additional points *Outputs*	There are active programmes for restoration of degraded areas within the protected area and/or the protected area buffer zone	0		
28. Access assessment Is access/resource use sufficiently controlled? *Outcomes*	Protection systems (patrols, permits etc) are ineffective in controlling access or use of the reserve in accordance with designated objectives	0		
	Protection systems are only partially effective in controlling access or use of the reserve in accordance with designated objectives	1		
	Protection systems are moderately effective in controlling access or use of the reserve in accordance with designated objectives	0		
	Protection systems are largely or wholly effective in controlling access or use of the reserve in accordance with designated objectives	0		
29. Economic benefit assessment Is the protected area providing economic benefits to local communities?	The existence of the protected area has reduced the options for economic development of the local communities	0	*Possible issue for comment*: how does national or regional development impact on the protected area?	
	The existence of the protected area has neither damaged nor benefited the local economy	1		
	There is some flow of economic benefits to local communities from the existence of the protected area but this is of minor significance to the regional economy	0		

Issue	Criteria	Score	Comments	Next steps
Outcomes	There is a significant or major flow of economic benefits to local communities from activities in and around the protected area (e.g. employment of locals, locally operated commercial tours etc)	0		
30. Monitoring and evaluation Are management activities monitored against performance? *Planning/Process*	There is no monitoring and evaluation in the protected area	0		
	There is some *ad hoc* monitoring and evaluation, but no overall strategy and/or no regular collection of results	1		
	There is an agreed and implemented monitoring and evaluation system but results are not systematically used for management	0		
	A good monitoring and evaluation system exists, is well implemented and used in adaptive management	0		
TOTAL SCORE		**45**		

(2.)

Name of protected area	**Bystrinsky Nature Park**		
Location of protected area (country, ecoregion, and if possible map reference)	Russia, Kamchatka		
Date of establishment (distinguish between agreed and gazetted*)	Agreed 1995	Gazetted 1997	
Ownership details (i.e. owner, tenure rights etc)	Administration of Kamchatka Oblast		
Management Authority	Nature parks Directorate under Kamchatka Administration		
Size of protected area (ha)	1 032 000 ha		
Number of staff	Permanent 2	Temporary 2	
Annual budget (US$)	35 714,3		
Designations (IUCN category, World Heritage, Ramsar etc)	IUCN category - V Nature park within World Heritage Site		
Reasons for designation	IUCN nomination, Kamchatka Administration's decision		
Brief details of World Bank funded project or projects in PA	N/A		
Brief details of WWF funded project or projects in PA	Core support, education		
Brief details of other relevant projects in PA	IUCN project supports information centre and NTFP activities UNESCO supports traditional ecological knowledge study and inventory		
List the two primary protected area objectives			
Objective 1	Conservation of the landscapes		
Objective 2	Recreation		
List the top two most important threats to the PA (and indicate reasons why these were chosen)			
Threat 1	Poaching: local population uses resources for livelihood		
Threat 2	Illegal tourism: there are no enough facilities for organized tourism		
List top two critical management activities			
Activity 1	Patrolling (Guarding)		
Activity 2	Awareness, education, work with visitors		

Name/s of assessor (including people consulted) and date assessment carried out: Vladimir Elchaparov, national expert
Contact details (email etc.): elchaparov@unkam.ru

Issue	Criteria	Score	Comments	Next steps
1. Legal status Does the protected area have legal status? *Context*	The protected area is not gazetted	0	*Note*: see fourth option for private reserves	
	The government has agreed that the protected area should be gazetted but the process has not yet begun	0		
	The protected area is in the process of being gazetted but the process is still incomplete	0		
	The protected area has been legally gazetted (or in the case of private reserves is owned by a trust or similar)	3		
2. Protected area regulations Are inappropriate land uses and activities (e.g. poaching) controlled? *Context*	There are no mechanisms for controlling inappropriate land use and activities in the protected area	0	Remote area with extremely poor road network	Improve patrol scheme & equipment of rangers
	Mechanisms for controlling inappropriate land use and activities in the protected area exist but there are major problems in implementing them effectively	1		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist but there are some problems in effectively implementing them	0		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist and are being effectively implemented	0		
3. Law enforcement Can staff enforce protected area rules well enough? *Context*	The staff have no effective capacity/resources to enforce protected area legislation and regulations	0	Lack of staff and poor budget for patrolling	Fundraising for additional budget
	There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget)	1		
	The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain	0		
	The staff have excellent capacity/resources to enforce protected area legislation and regulations	0		
4. Protected area objectives Have objectives been agreed? *Planning*	No firm objectives have been agreed for the protected area	0	Lack of staff and capacity does not allow to manage the PA at the acceptable level	
	The protected area has agreed objectives, but is not managed according to these objectives	1		
	The protected area has agreed objectives, but these are only partially implemented	0		
	The protected area has agreed objectives and is managed to meet these objectives	0		
5. Protected area design	Inadequacies in design mean achieving the protected areas major management objectives of the protected area is impossible	0	*Possible issue for comment*: does the protected area contain different	Implementation of management plan during phase II

Issue	Criteria	Score	Comments	Next steps
Does the protected area need enlarging, corridors etc to meet its objectives? *Planning*	Inadequacies in design mean that achievement of major objectives are constrained to some extent	1	management zones and are these well maintained Zoning has been completed at the phase I, but lack of staff and capacities does not allow to manage different zones properly	
	Design is not significantly constraining achievement of major objectives, but could be improved	0		
	Reserve design features are particularly aiding achievement of major objectives of the protected area	0		
6. Protected area boundary demarcation Is the boundary known and demarcated? *Context*	The boundary of the protected area is not known by the management authority or local residents/neighbouring land users	0	*Possible issue for comment*: are there tenure disagreements affecting the protected area?	
	The boundary of the protected area is known by the management authority but is not known by local residents/neighbouring land users	0		
	The boundary of the protected area is known by both the management authority and local residents but is not appropriately demarcated	2		
	The boundary of the protected area is known by the management authority and local residents and is appropriately demarcated	0		
7. Management plan Is there a management plan and is it being implemented? *Planning*	There is no management plan for the protected area	0	Management plan has been developed during phase I of the GEF project	Implementation of management plan to be commenced at phase II
	A management plan is being prepared or has been prepared but is not being implemented	1		
	An approved management plan exists but it is only being partially implemented because of funding constraints or other problems	0		
	An approved management plan exists and is being implemented	0		
Additional points *Planning*	The planning process allows adequate opportunity for key stakeholders to influence the management plan	0		
	There is an established schedule and process for periodic review and updating of the management plan	+1		
	The results of monitoring, research and evaluation are routinely incorporated into planning	0		
8. Regular work plan	No regular work plan exists	0	Annual work programmes were developed during phase I of the GEF project	

Issue	Criteria	Score	Comments	Next steps
Is there an annual work plan? *Planning/Outputs*	A regular work plan exists but activities are not monitored against the plan's targets	0		
	A regular work plan exists and actions are monitored against the plan's targets, but many activities are not completed	2		
	A regular work plan exists, actions are monitored against the plan's targets and most or all prescribed activities are completed	0		
9. Resource inventory Do you have enough information to manage the area? *Context*	There is little or no information available on the critical habitats, species and cultural values of the protected area	0	Resource inventory just started at phase I of the GEF project	
	Information on the critical habitats, species and cultural values of the protected area is not sufficient to support planning and decision making	1		
	Information on the critical habitats, species and cultural values of the protected area is sufficient for key areas of planning/decision making but the necessary survey work is not being maintained	0		
	Information concerning on the critical habitats, species and cultural values of the protected area is sufficient to support planning and decision making and is being maintained	0		
10. Research Is there a programme of management-orientated survey and research work? *Inputs*	There is no survey or research work taking place in the protected area	0		
	There is some *ad hoc* survey and research work	1		
	There is considerable survey and research work but it is not directed towards the needs of protected area management	0		
	There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs	0		
11. Resource management Is the protected area adequately managed (e.g. for fire, invasive species, poaching)? *Process*	Requirements for active management of critical ecosystems, species and cultural values have not been assessed	0		
	Requirements for active management of critical ecosystems, species and cultural values are known but are not being addressed	1		
	Requirements for active management of critical ecosystems, species and cultural values are only being partially addressed	0		
	Requirements for active management of critical ecosystems, species and cultural values are being substantially or fully addressed	0		
12. Staff numbers Are there enough people employed to manage the protected	There are no staff	0	Park is understaffed but regional administration confirmed the commitment to increase funding for staff substantially in the coming years	
	Staff numbers are inadequate for critical management activities	1		
	Staff numbers are below optimum level for critical management activities	0		

Issue	Criteria	Score	Comments	Next steps
area? *Inputs*	Staff numbers are adequate for the management needs of the site	0		
13. Personnel management Are the staff managed well enough? *Process*	Problems with personnel management constrain the achievement of major management objectives	0		
	Problems with personnel management partially constrain the achievement of major management objectives	0		
	Personnel management is adequate to the achievement of major management objectives but could be improved	0		
	Personnel management is excellent and aids the achievement major management objectives	0		
14. Staff training Is there enough training for staff? *Inputs/Process*	Staff are untrained	0		
	Staff training and skills are low relative to the needs of the protected area	1		
	Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management	0		
	Staff training and skills are in tune with the management needs of the protected area, and with anticipated future needs	0		
15. Current budget Is the current budget sufficient? *Inputs*	There is no budget for the protected area	0		
	The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage	1		
	The available budget is acceptable, but could be further improved to fully achieve effective management	0		
	The available budget is sufficient and meets the full management needs of the protected area	0		
16. Security of budget Is the budget secure?	There is no secure budget for the protected area and management is wholly reliant on outside or year by year funding	0		
	There is very little secure budget and the protected area could not function adequately without outside funding	1		
	There is a reasonably secure core budget for the protected area but many innovations and initiatives are reliant on outside funding	0		

Issue	Criteria	Score	Comments	Next steps
Inputs	There is a secure budget for the protected area and its management needs on a multi-year cycle	0		
17. Management of budget Is the budget managed to meet critical management needs? *Process*	Budget management is poor and significantly undermines effectiveness	0		
	Budget management is poor and constrains effectiveness	1		
	Budget management is adequate but could be improved	0		
	Budget management is excellent and aids effectiveness	0		
18. Equipment Is equipment sufficient? *Process*	There is little or no equipment and facilities	0	Majority of the equipment was purchased with the funds of GEF and WWF projects and other donors' support	
	There is some equipment and facilities but these are wholly inadequate	1		
	There is equipment and facilities, but still some major gaps that constrain management	0		
	There is adequate equipment and facilities	0		
19. Maintenance of equipment Is equipment adequately maintained? *Process*	There is little or no maintenance of equipment and facilities	0		
	There is some *ad hoc* maintenance of equipment and facilities	0		
	There is maintenance of equipment and facilities, but there are some important gaps in maintenance	2		
	Equipment and facilities are well maintained	0		
20. Education and awareness programme Is there a planned education programme? *Process*	There is no education and awareness programme	0		
	There is a limited and *ad hoc* education and awareness programme, but no overall planning for this	1		
	There is a planned education and awareness programme but there are still serious gaps	0		
	There is a planned and effective education and awareness programme fully linked to the objectives and needs of the protected area	0		
21. State and commercial neighbours	There is no contact between managers and neighbouring official or corporate land users	0		

Issue	Criteria	Score	Comments	Next steps
Is there co-operation with adjacent land users? *Process*	There is limited contact between managers and neighbouring official or corporate land users	0		
	There is regular contact between managers and neighbouring official or corporate land users, but only limited co-operation	2		
	There is regular contact between managers and neighbouring official or corporate land users, and substantial co-operation on management	0		
22. Indigenous people Do indigenous and traditional peoples resident or regularly using the PA have input to management decisions? *Process*	Indigenous and traditional peoples have no input into decisions relating to the management of the protected area	0		
	Indigenous and traditional peoples have some input into discussions relating to management but no direct involvement in the resulting decisions	0		
	Indigenous and traditional peoples directly contribute to some decisions relating to management	2		
	Indigenous and traditional peoples directly participate in making decisions relating to management	0		
23. Local communities Do local communities resident or near the protected area have input to management decisions? *Process*	Local communities have no input into decisions relating to the management of the protected area	0	SME Fund established by the GEF project and its Advisory Board inputs into decision-making	
	Local communities have some input into discussions relating to management but no direct involvement in the resulting decisions	0		
	Local communities directly contribute to some decisions relating to management	2		
	Local communities directly participate in making decisions relating to management	0		
Additional points *Outputs*	There is open communication and trust between local stakeholders and protected area managers	0	SME Fund operates within Park's territory	
	Programmes to enhance local community welfare, while conserving protected area resources, are being implemented	+1		
24. Visitor facilities Are visitor facilities (for tourists, pilgrims etc) good enough? *Outputs*	There are no visitor facilities and services	0	*Possible issue for comment*: Do visitors damage the protected area?	
	Visitor facilities and services are inappropriate for current levels of visitation or are under construction	1		
	Visitor facilities and services are adequate for current levels of visitation but could be improved	0		
	Visitor facilities and services are excellent for current levels of visitation	0		
25. Commercial tourism	There is little or no contact between managers and tourism operators using the protected area	0	*Possible issue for comment*: examples of contributions	
	There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters	0		

Issue	Criteria	Score	Comments	Next steps
Do commercial tour operators contribute to protected area management? *Process*	There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain protected area values	2		
	There is excellent co-operation between managers and tourism operators to enhance visitor experiences, protect values and resolve conflicts	0		
26. Fees If fees (tourism, fines) are applied, do they help protected area management? *Outputs*	Although fees are theoretically applied, they are not collected	0	Fees are theoretically applied but not collected yet	
	The fee is collected, but it goes straight to central government and is not returned to the protected area or its environs	0		
	The fee is collected, but is disbursed to the local authority rather than the protected area	0		
	There is a fee for visiting the protected area that helps to support this and/or other protected areas	0		
27. Condition ass ess me nt Is the protected area being managed consistent to its objectives? *Outcomes*	Important biodiversity, ecological and cultural values are being severely degraded	0	*Possible issue for comment:* It is important to provide details of the biodiversity, ecological or cultural values being affected	
	Some biodiversity, ecological and cultural values are being severely degraded	0		
	Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted	2		
	Biodiversity, ecological and cultural values are predominantly intact	0		
Additional points *Outputs*	There are active programmes for restoration of degraded areas within the protected area and/or the protected area buffer zone	0		
28. Access assessment Is access/resource use sufficiently controlled? *Outcomes*	Protection systems (patrols, permits etc) are ineffective in controlling access or use of the reserve in accordance with designated objectives	0	Protection system is ineffective due to lack of staff	
	Protection systems are only partially effective in controlling access or use of the reserve in accordance with designated objectives	0		
	Protection systems are moderately effective in controlling access or use of the reserve in accordance with designated objectives	0		
	Protection systems are largely or wholly effective in controlling access or use of the reserve in accordance with designated objectives	0		
29. Economic benefit assessment	The existence of the protected area has reduced the options for economic development of the local communities	0	*Possible issue for comment*: how does national or regional development impact on the protected area?	
	The existence of the protected area has neither damaged nor benefited the local economy	0		

Issue	Criteria	Score	Comments	Next steps
Is the protected area providing economic benefits to local communities? *Outcomes*	There is some flow of economic benefits to local communities from the existence of the protected area but this is of minor significance to the regional economy	2		
	There is a significant or major flow of economic benefits to local communities from activities in and around the protected area (e.g. employment of locals, locally operated commercial tours etc)	0		
30. Monitoring and evaluation Are management activities monitored against performance? *Planning/Process*	There is no monitoring and evaluation in the protected area	0		
	There is some *ad hoc* monitoring and evaluation, but no overall strategy and/or no regular collection of results	0		
	There is an agreed and implemented monitoring and evaluation system but results are not systematically used for management	0		
	A good monitoring and evaluation system exists, is well implemented and used in adaptive management	0		
TOTAL SCORE		**39**		

(3.)

Name of protected area	**Nalychevo Nature Park**		
Location of protected area (country, ecoregion, and if possible map reference)	Russia, Kamchatka		
Date of establishment (distinguish between agreed and gazetted*)	Agreed 1995	Gazetted 1997	
Ownership details (i.e. owner, tenure rights etc)	Kamchatka Oblast Administration		
Management Authority	Nature parks' Directorate under Kamchatka Administration		
Size of protected area (ha)	287 000 ha		
Number of staff	Permanent 8	Temporary 6	
Annual budget (US$)	142 857,1		
Designations (IUCN category, World Heritage, Ramsar etc)	IUCN category - V Nature park		
Reasons for designation	IUCN nomination, Oblast Administration's decision		
Brief details of World Bank funded project or projects in PA	N/A		
Brief details of WWF funded project or projects in PA	Core support, conservation & management improvement, education, equipment		
Brief details of other relevant projects in PA			
List the two primary protected area objectives			
Objective 1	Conservation of unique ecosystems		
Objective 2	Recreation		
List the top two most important threats to the PA (and indicate reasons why these were chosen)			
Threat 1	Uncontrolled recreation and tourism: there are no enough facilities for recreation and organized tourism		
Threat 2	Poaching: there is a lack of patrol stations and guards to control poaching effectively		
List top two critical management activities			
Activity 1	Work with visitors		
Activity 2	Patrolling		

Name/s of assessor (including people consulted) and date assessment carried out: Vladimir Elchaparov
Contact details (email etc.): elchaparov@unkam.ru

Issue	Criteria	Score	Comments	Next steps
1. Legal status Does the protected area have legal status? *Context*	The protected area is not gazetted	0	*Note*: see fourth option for private reserves	
	The government has agreed that the protected area should be gazetted but the process has not yet begun	0		
	The protected area is in the process of being gazetted but the process is still incomplete	0		
	The protected area has been legally gazetted (or in the case of private reserves is owned by a trust or similar)	3		
2. Protected area regulations Are inappropriate land uses and activities (e.g. poaching) controlled? *Context*	There are no mechanisms for controlling inappropriate land use and activities in the protected area	0		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist but there are major problems in implementing them effectively	1		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist but there are some problems in effectively implementing them	0		
	Mechanisms for controlling inappropriate land use and activities in the protected area exist and are being effectively implemented	0		
3. Law enforcement Can staff enforce protected area rules well enough? *Context*	The staff have no effective capacity/resources to enforce protected area legislation and regulations	0	Poor budget for staffing	Fundraising for additional budget
	There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget)	1		
	The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain	0		
	The staff have excellent capacity/resources to enforce protected area legislation and regulations	0		
4. Protected area objectives Have objectives been agreed? *Planning*	No firm objectives have been agreed for the protected area	0		
	The protected area has agreed objectives, but is not managed according to these objectives	0		
	The protected area has agreed objectives, but these are only partially implemented	2		
	The protected area has agreed objectives and is managed to meet these objectives	0		
5. Protected area design	Inadequacies in design mean achieving the protected areas major management objectives of the protected area is impossible	0	*Possible issue for comment*: does the protected area contain different	

Issue	Criteria	Score	Comments	Next steps
Does the protected area need enlarging, corridors etc to meet its objectives? *Planning*	Inadequacies in design mean that achievement of major objectives are constrained to some extent	0	management zones and are these well maintained?	
	Design is not significantly constraining achievement of major objectives, but could be improved	2		
	Reserve design features are particularly aiding achievement of major objectives of the protected area	0		
6. Protected area boundary demarcation Is the boundary known and demarcated? *Context*	The boundary of the protected area is not known by the management authority or local residents/neighbouring land users	0	*Possible issue for comment*: are there tenure disagreements affecting the protected area?	
	The boundary of the protected area is known by the management authority but is not known by local residents/neighbouring land users	0		
	The boundary of the protected area is known by both the management authority and local residents but is not appropriately demarcated	2		
	The boundary of the protected area is known by the management authority and local residents and is appropriately demarcated	0		
7. Management plan Is there a management plan and is it being implemented? *Planning*	There is no management plan for the protected area	0	Management plan has been prepared during phase I of the current GEF project	Start of implementation is planned for year I of the phase II of GEF project
	A management plan is being prepared or has been prepared but is not being implemented	1		
	An approved management plan exists but it is only being partially implemented because of funding constraints or other problems	0		
	An approved management plan exists and is being implemented	0		
Additional points *Planning*	The planning process allows adequate opportunity for key stakeholders to influence the management plan	+1		
	There is an established schedule and process for periodic review and updating of the management plan	+1		
	The results of monitoring, research and evaluation are routinely incorporated into planning	0		
8. Regular work plan	No regular work plan exists	0	Annual work plans were prepared during phase I of the current GEF project	

Issue	Criteria	Score	Comments	Next steps
Is there an annual work plan? *Planning/Outputs*	A regular work plan exists but activities are not monitored against the plan's targets	0		
	A regular work plan exists and actions are monitored against the plan's targets, but many activities are not completed	2		
	A regular work plan exists, actions are monitored against the plan's targets and most or all prescribed activities are completed	0		
9. Resource inventory Do you have enough information to manage the area? *Context*	There is little or no information available on the critical habitats, species and cultural values of the protected area	0		
	Information on the critical habitats, species and cultural values of the protected area is not sufficient to support planning and decision making	0		
	Information on the critical habitats, species and cultural values of the protected area is sufficient for key areas of planning/decision making but the necessary survey work is not being maintained	2		
	Information concerning on the critical habitats, species and cultural values of the protected area is sufficient to support planning and decision making and is being maintained	0		
10. Research Is there a programme of management-orientated survey and research work? *Inputs*	There is no survey or research work taking place in the protected area	0		
	There is some *ad hoc* survey and research work	1		
	There is considerable survey and research work but it is not directed towards the needs of protected area management	0		
	There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs	0		
11. Resource management Is the protected area adequately managed (e.g. for fire, invasive species, poaching)? *Process*	Requirements for active management of critical ecosystems, species and cultural values have not been assessed	0		
	Requirements for active management of critical ecosystems, species and cultural values are known but are not being addressed	0		
	Requirements for active management of critical ecosystems, species and cultural values are only being partially addressed	2		
	Requirements for active management of critical ecosystems, species and cultural values are being substantially or fully addressed	0		
12. Staff numbers Are there enough people employed to manage the protected	There are no staff	0		
	Staff numbers are inadequate for critical management activities	1		
	Staff numbers are below optimum level for critical management activities	0		

Issue	Criteria	Score	Comments	Next steps
area? *Inputs*	Staff numbers are adequate for the management needs of the site	0		
13. Personnel management Are the staff managed well enough? *Process*	Problems with personnel management constrain the achievement of major management objectives	0		
	Problems with personnel management partially constrain the achievement of major management objectives	1		
	Personnel management is adequate to the achievement of major management objectives but could be improved	0		
	Personnel management is excellent and aids the achievement major management objectives	0		
14. Staff training Is there enough training for staff? *Inputs/Process*	Staff are untrained	0		
	Staff training and skills are low relative to the needs of the protected area	1		
	Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management	0		
	Staff training and skills are in tune with the management needs of the protected area, and with anticipated future needs	0		
15. Current budget Is the current budget sufficient? *Inputs*	There is no budget for the protected area	0		
	The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage	1		
	The available budget is acceptable, but could be further improved to fully achieve effective management	0		
	The available budget is sufficient and meets the full management needs of the protected area	0		
16. Security of budget Is the budget secure?	There is no secure budget for the protected area and management is wholly reliant on outside or year by year funding	0		
	There is very little secure budget and the protected area could not function adequately without outside funding	1		
	There is a reasonably secure core budget for the protected area but many innovations and initiatives are reliant on outside funding	0		

Issue	Criteria	Score	Comments	Next steps
Inputs	There is a secure budget for the protected area and its management needs on a multi-year cycle	0		
17. Management of budget Is the budget managed to meet critical management needs? *Process*	Budget management is poor and significantly undermines effectiveness	0		
	Budget management is poor and constrains effectiveness	0		
	Budget management is adequate but could be improved	2		
	Budget management is excellent and aids effectiveness	0		
18. Equipment Is equipment sufficient? *Process*	There is little or no equipment and facilities	0	Majority of the equipment was purchased with the funds of WWF and GEF projects	
	There is some equipment and facilities but these are wholly inadequate	1		
	There is equipment and facilities, but still some major gaps that constrain management	0		
	There is adequate equipment and facilities	0		
19. Maintenance of equipment Is equipment adequately maintained? *Process*	There is little or no maintenance of equipment and facilities	0		
	There is some *ad hoc* maintenance of equipment and facilities	0		
	There is maintenance of equipment and facilities, but there are some important gaps in maintenance	2		
	Equipment and facilities are well maintained	0		
20. Education and awareness programme Is there a planned education programme? *Process*	There is no education and awareness programme	0		
	There is a limited and *ad hoc* education and awareness programme, but no overall planning for this	1		
	There is a planned education and awareness programme but there are still serious gaps	0		
	There is a planned and effective education and awareness programme fully linked to the objectives and needs of the protected area	0		
21. State and commercial neighbours	There is no contact between managers and neighbouring official or corporate land users	0		

Issue	Criteria	Score	Comments	Next steps
Is there co-operation with adjacent land users? *Process*	There is limited contact between managers and neighbouring official or corporate land users	1		
	There is regular contact between managers and neighbouring official or corporate land users, but only limited co-operation	0		
	There is regular contact between managers and neighbouring official or corporate land users, and substantial co-operation on management	0		
22. Indigenous people Do indigenous and traditional peoples resident or regularly using the PA have input to management decisions? *Process*	Indigenous and traditional peoples have no input into decisions relating to the management of the protected area	0	There is no ITP	
	Indigenous and traditional peoples have some input into discussions relating to management but no direct involvement in the resulting decisions	0		
	Indigenous and traditional peoples directly contribute to some decisions relating to management	0		
	Indigenous and traditional peoples directly participate in making decisions relating to management	0		
23. Local communities Do local communities resident or near the protected area have input to management decisions? *Process*	Local communities have no input into decisions relating to the management of the protected area	0		
	Local communities have some input into discussions relating to management but no direct involvement in the resulting decisions	0		
	Local communities directly contribute to some decisions relating to management	0		
	Local communities directly participate in making decisions relating to management	0		
Additional points *Outputs*	There is open communication and trust between local stakeholders and protected area managers	0		
	Programmes to enhance local community welfare, while conserving protected area resources, are being implemented	0		
24. Visitor facilities Are visitor facilities (for tourists, pilgrims etc) good enough? *Outputs*	There are no visitor facilities and services	0	*Possible issue for comment*: Do visitors damage the protected area? There are measures undertaken to eliminate damage from visitors (e.g. wooden pavements, campings etc)	
	Visitor facilities and services are inappropriate for current levels of visitation or are under construction	1		
	Visitor facilities and services are adequate for current levels of visitation but could be improved	0		
	Visitor facilities and services are excellent for current levels of visitation	0		
25. Commercial tourism	There is little or no contact between managers and tourism operators using the protected area	0	*Possible issue for comment*: examples of contributions	
	There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters	1		

Issue	Criteria	Score	Comments	Next steps
Do commercial tour operators contribute to protected area management? *Process*	There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain protected area values	0		
	There is excellent co-operation between managers and tourism operators to enhance visitor experiences, protect values and resolve conflicts	0		
26. Fees If fees (tourism, fines) are applied, do they help protected area management? *Outputs*	Although fees are theoretically applied, they are not collected	0	Fees collected are scarce but are left in the park	
	The fee is collected, but it goes straight to central government and is not returned to the protected area or its environs	0		
	The fee is collected, but is disbursed to the local authority rather than the protected area	0		
	There is a fee for visiting the protected area that helps to support this and/or other protected areas	3		
27. Condition ass ess me nt Is the protected area being managed consistent to its objectives? *Outcomes*	Important biodiversity, ecological and cultural values are being severely degraded	0	*Possible issue for comment:* It is important to provide details of the biodiversity, ecological or cultural values being affected	
	Some biodiversity, ecological and cultural values are being severely degraded	0		
	Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted	0		
	Biodiversity, ecological and cultural values are predominantly intact	3		
Additional points *Outputs*	There are active programmes for restoration of degraded areas within the protected area and/or the protected area buffer zone	0		
28. Access assessment Is access/resource use sufficiently controlled? *Outcomes*	Protection systems (patrols, permits etc) are ineffective in controlling access or use of the reserve in accordance with designated objectives	0		
	Protection systems are only partially effective in controlling access or use of the reserve in accordance with designated objectives	1		
	Protection systems are moderately effective in controlling access or use of the reserve in accordance with designated objectives	0		
	Protection systems are largely or wholly effective in controlling access or use of the reserve in accordance with designated objectives	0		
29. Economic benefit assessment	The existence of the protected area has reduced the options for economic development of the local communities	0	*Possible issue for comment*: how does national or regional development impact on the protected area?	
	The existence of the protected area has neither damaged nor benefited the local economy	1		

Issue	Criteria	Score	Comments	Next steps
Is the protected area providing economic benefits to local communities? *Outcomes*	There is some flow of economic benefits to local communities from the existence of the protected area but this is of minor significance to the regional economy	0		
	There is a significant or major flow of economic benefits to local communities from activities in and around the protected area (e.g. employment of locals, locally operated commercial tours etc)	0		
30. Monitoring and evaluation Are management activities monitored against performance? *Planning/Process*	There is no monitoring and evaluation in the protected area	0		
	There is some *ad hoc* monitoring and evaluation, but no overall strategy and/or no regular collection of results	1		
	There is an agreed and implemented monitoring and evaluation system but results are not systematically used for management	0		
	A good monitoring and evaluation system exists, is well implemented and used in adaptive management	0		
TOTAL SCORE		44		