

Cover Note

Project Title: “Demonstrating sustainable conservation of biological diversity in four protected areas in Russia’ s Kamchatka Oblast”
Date: Jan. 8th, 2001

	Work Program Inclusion	Reference/Note:
1. Country Ownership		
<ul style="list-style-type: none"> Country Eligibility 		Cover page and paragraph # 80
<ul style="list-style-type: none"> Country Drivenness 	Clear description of project’ s fit within: <ul style="list-style-type: none"> National reports/communications to Conventions National or sector development plans Recommendations of appropriate regional intergovernmental meetings or agreements. 	Paragraph #s: 18-25 and # 81-82
<ul style="list-style-type: none"> Endorsement 	<ul style="list-style-type: none"> Endorsement by national operational focal point. 	Annex I
2. Program & Policy Conformity		
<ul style="list-style-type: none"> Program Designation & Conformity 	Describe how project objectives are consistent with Operational Program objectives or operational criteria.	Paragraph #80
<ul style="list-style-type: none"> Project Design 	Describe: <ul style="list-style-type: none"> sector issues, root causes, threats, barriers, etc, affecting global environment. Project logical framework, including a consistent strategy, goals, objectives, outputs, inputs/activities, measurable performance indicators, risks and assumptions. Detailed description of goals, objectives, outputs, and related assumptions, risks and performance indicators. Brief description of proposed project activities, including an explanation how the activities would result in project outputs (in no more than 2 pages).¹ Global environmental benefits of project. Incremental Cost Estimation based on the project logical 	Corresponding to bullet points at the left: <ul style="list-style-type: none"> Paragraph #s: 34-47 and Annex IV Annex III, paragraph #s: 55-58 Annex III and paragraph #: 55-82 (outputs, etc) Paragraph # 57, 83-90 plus table Paragraph #: 1-3 and # 79 Annex II

¹ A project/program could undertake detailed design (specification of project outputs) during the first phase of implementation, with clear benchmarks for

	Work Program Inclusion	Reference/Note:
	<p>framework.</p> <ul style="list-style-type: none"> Describe project outputs (and related activities and costs) that result in <i>global</i> environmental benefits Describe project outputs (and related activities and costs) that result in joint <i>global and national</i> environmental benefits. Describe project outputs (and related activities and costs) that result in <i>national</i> environmental benefits. Describe the process used to jointly estimate incremental cost with in-country project partner. Present the incremental cost estimate. If presented as a range, then a brief explanation of challenges and constraints and how these would be addressed by the time of CEO endorsement. 	<ul style="list-style-type: none"> Paragraph #: 55-82; Paragraph #: 55-82; Paragraph #: 55-82 Annex II Introduction Annex II Matrix
<ul style="list-style-type: none"> Sustainability (including financial sustainability) 	Describe proposed approach to address factors influencing sustainability, within and/or outside the project to deal with these factors.	<ul style="list-style-type: none"> Paragraph #: 92-93
<ul style="list-style-type: none"> Replicability 	Describe the proposed approach to replication, (for e.g., dissemination of lessons, training workshops, information exchange, national and regional forum, etc) (could be within project description).	<ul style="list-style-type: none"> Paragraph # 74-78
<ul style="list-style-type: none"> Stakeholder Involvement 	<ul style="list-style-type: none"> Describe how stakeholders have been involved in project development. Describe the approach for stakeholder involvement in further project development and implementation. 	<ul style="list-style-type: none"> Paragraph #: 89 and Annex VI Annex VI
<ul style="list-style-type: none"> Monitoring & Evaluation 	<ul style="list-style-type: none"> Describe how the project design has incorporated lessons from similar projects in the past. Describe approach for project M&E system, based on the project logical framework, including the following elements: <ul style="list-style-type: none"> Specification of indicators for objectives and outputs, including intermediate benchmarks, and means of measurement. Outline organizational arrangement for implementing M&E. Indicative total cost of M&E (maybe reflected in total project cost). 	<ul style="list-style-type: none"> Paragraph #: 94-97 Paragraph #: 94-97 Logical framework Annex III Paragraph #: 94-96 Inclusive costs

	Work Program Inclusion	Reference/Note:
	<ul style="list-style-type: none"> Estimate contribution by financing partners. Propose type of financing instrument 	<ul style="list-style-type: none"> Cover page; Section 3 Cover page
<ul style="list-style-type: none"> Implementing Agency Fees 	Propose IA fee	NA
<ul style="list-style-type: none"> Cost-effectiveness 	<ul style="list-style-type: none"> Estimate cost effectiveness, if feasible. Describe alternate project approaches considered and discarded. 	NA NA
4. Institutional Coordination & Support		
<u>IA Coordination and Support</u> <ul style="list-style-type: none"> Core commitments & Linkages 	Describe how the proposed project is located within the IA' s: <ul style="list-style-type: none"> Country/regional/global/sector programs. GEF activities with potential influence on the proposed project (design and implementation). 	<ul style="list-style-type: none"> Paragraph #: 18-27, and # 81 Paragraph #: 82
<ul style="list-style-type: none"> Consultation, Coordination and Collaboration between IAs, and IAs and EAs, if appropriate. 	<ul style="list-style-type: none"> Describe how the proposed project relates to activities of other IAs (and 4 RDBs) in the country/region. Describe planned/agreed coordination, collaboration between IAs in project implementation. 	<ul style="list-style-type: none"> Paragraph #: 81, 82
5. Response to Reviews		
Council	Respond to Council Comments at pipeline entry.	NA
Convention Secretariat	Respond to comments from Convention Secretariats .	NA
GEF Secretariat	Respond to comments from GEFSEC on draft project brief.	NA
Other IAs and 4 RDBs	Respond to comments from other IAs, 4RDBss on draft project brief.	NA
STAP	Respond to comments by STAP at work program inclusion	NA
Review by expert from STAP Roster	Respond to review by expert from STAP roster. ²	Annex IX

PROJECT BRIEF

1. IDENTIFIERS

PROJECT NUMBER:	RUS/99/G43/A/1G/99
PROJECT NAME:	Russian Federation: Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas in Russia's Kamchatka Oblast, Phase I
DURATION:	7 years, divided into three implementation stages of 2, 3 and 2 years duration. UNDP is only seeking funding for stage 1 of the project with this submission. ¹
IMPLEMENTING AGENCY:	United Nations Development Programme
EXECUTING AGENCY:	Ministry of Natural Resources
IMPLEMENTING AGENTS:	MNR, Kamchatka Oblast Administration and NGOs
REQUESTING COUNTRY:	Russian Federation
ELIGIBILITY:	CBD ratified April 5, 1995
GEF FOCAL AREA:	Biodiversity
GEF PROGRAMMING FRAMEWORK:	No. 4 Mountain Ecosystems (cross-cutting No. 3 Forest Ecosystems, and No. 2 Coastal, Marine and Freshwater Ecosystems)

2. SUMMARY: The Kamchatka peninsula is one of the world's last remaining extensive natural areas still offering an opportunity to conserve outstanding globally significant biodiversity values. The size of Germany, Austria and Switzerland combined, this 1,500 kilometer-long peninsula is included in WWF's Global 200 list of the world's most important ecoregions. Historically, Kamchatka's biodiversity was protected by its remoteness, rugged landscape, and later by its strategic military importance. During the past 10 years of economic reform and societal upheaval, however, the situation has worsened dramatically. Today, with the region having become "open" to visitation and more accessible, as local populations are experiencing economic hardships, and protected area budgets have been sharply reduced, there are significant and increasing threats to Kamchatka's biodiversity and existing protected areas. In a business-as-usual "baseline" scenario, the PAs' biodiversity will face growing cumulative threats from organized poaching, uncontrolled access and unmanaged uses of the PAs, including recreation, and resource exploitation by local populations beyond sustainable levels, thereby significantly diminishing their global benefits. In spite of the economic hardships and numerous competing priorities, the GOR, the KOA, the resident research community and NGOs have demonstrated a continued commitment to supporting the PAs. Nevertheless, despite this effort, there is a widening gap between the existing limited baseline management capacity, and the actual requirements to effectively address the growing biodiversity conservation challenges in the protected areas. The project would help secure the global benefits of conserving biological diversity in all protected areas in the Kamchatka Oblast by demonstrating replicable, sustainable approaches to biodiversity conservation in four existing representative protected areas. GEF resources would: strengthen the

¹ The complete project is to last 7 years, divided into three Stages of 2, 3 and 2 years duration. Annexes III and X detail the entire project's stages and associated funding.

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; enable biodiversity conservation promoting alternative livelihood pursuits for local communities; increase efficiencies by improving collaboration between federally and regionally administered protected areas and among responsible authorities; and, leverage co-funding support to ensure the attainment and sustainability of project results.

3. COSTS AND FINANCING OF STAGE 1

GEF:	Stage1	US\$	
	2,100,000 ²		
	PDF B	US\$	233,700
	<u>GEF Sub-total</u>	US\$	2,333,700
Co-financing:	PDF B		
	UNDP	US\$	72,000
	GOR	US\$	24,500
	KOA	US\$	15,000
	CIDA	US \$	66,000
	NGOs	US\$	34,500
	Stage 1		
	GOR:	US\$	225,710
	KOA:	US\$	182,860
	NGOs	US\$	470 ,000
	Bilateral Donors	US\$	1,900,000
	<u>Co-financing sub-total</u>	US\$	2,990,570
Total Project Cost (Stage 1 only):		US\$	5,324,270

Costs and Indicative Financing for 7 Year Project

GEF:	PDF B	US\$	233,700
	Stage1	US\$	2,100,000
	Stage 2	US\$	1,300,000
	Stage 3	US\$	850,000

² Indicative budget figures for the project's Second and Third Stages are provided in Annex X Disbursements for subsequent stages of the project will only occur following analysis, independent review, and evaluation of results, and will require a new submission to GEF Council.

	<u>Sub-total</u>	US\$ 4,483,700
Co-financing:	PDF B	US\$ 212,000
	Stage 1	US \$ 2,778,570
	Stage 2	US \$
	3,652,860	
	Stage 3	US \$ 2,048,570
	<u>Sub-total</u>	US\$ 8,692,000
Total Project Cost:		US\$ 13,175,700

4. **ASSOCIATED FINANCING:** Baseline funding is estimated at US\$ 4.47 million over 7 years. Co-financing from the GOR and the KOA is estimated at being 60% cash and 40% in-kind over the course of the entire project.

5. **OPERATIONAL FOCAL POINT ENDORSEMENT**

Name: Dr. Amirkhan M. Amirkhanov **Title:** Head, Directorate for Environmental Protection and Ecological Safety

Organization: Ministry of Natural Resources **Date:** October 31, 2000

6. **IA CONTACTS:**

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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
KamchatRybvod	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
KPACF	Kamchatka Protected Areas Conservation 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)
NSF	National Science Foundation
NTFP	Non-timber Forest Products
PA	Protected Area
PDF-B	Project Development Facility, Block B (GEF)
SCEP	State Committee for Environmental Protection - Russian Federation
SKSS	South Kamchatka State Sanctuary (Zakaznik)
TEK	Traditional Environmental Knowledge
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WB	The World Bank

WCS	Wildlife Conservation Society
WHS	World Heritage Site
WWF	World Wide Fund for Nature

PROJECT CONTEXT:

1. Environmental Context : The 1,500 km. long and 472,000 km² 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, most of the peninsula has remained in a largely intact condition and, thus, still possesses globally important biodiversity.

2. 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. Also, a great number of endemic species and subspecies 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 a continuing process of diversification among the peninsula's endemic species and subspecies.

3. Approximately 15,000 Kamchatkan brown bear (*Ursus arctos*), the second largest subspecies in the world, are found in pockets throughout the peninsula. The peninsula is also the center 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, as does the only population of sea otters in the Eastern 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 nest on the peninsula. The diversity described above is supported in large part by the richness and abundance 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 (an estimated one third of the Pacific population) spawn in Kamchatka's rivers. Nevertheless, according to preliminary data of the former KSCEP³, 59 faunal species on the peninsula are threatened or endangered, and are listed in the Russian Federation's Red Book.

4. 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

³ The KSCEP, like all former Regional State Committees for Environmental Protection, were abolished by Presidential Decree on May 17, 2000 and their functions amalgamated within the Ministry of Natural Resources. The NRC is now the Oblast level MNR.

ultimately designate approximately 31% of the peninsula under various protected area designations. One implication of this is that since the network 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.

5. Four protected areas have been chosen for inclusion in the project (Annex V):

- 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 harbors 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 in biodiversity management, and tourism.
- All four of these areas were listed by UNESCO under the "Volcanoes of Kamchatka World Natural Heritage Site" designation in December 1996.

6. Kronotsky State Biosphere Reserve : Originally established in 1934, but with its boundaries re-defined in 1966, 1982 and 1992, Kronotsky Zapovednik 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 current government reorganization, the reserve was administered by the federal State Committee for Environmental Protection and now by the Ministry of Natural Resources. At the Oblast level, it is administered by the Kamchatka NRC.

7. 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. Thermophilic 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 harbors 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, harbors an endemic species of freshwater kokanee salmon (*Oncorhynchus nerca Walbaum*). The uniqueness of the lake's ichthyofauna is widely recognized. One of the world's most significant breeding populations of the endangered Steller sea lion, 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.

8. South Kamchatka State Sanctuary Established in 1983, the 225,000 ha. (2,250 km²) 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 of the southeastern 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 Eastern Pacific, numbering approximately 900 individuals but increasing up to 3000 animals during summer migration, and over 1,000 endangered 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 managed out of the KSBR office.

9. Established in 1995, the 287,155 ha. (2,872 km²) 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 *Maianthemumbifolium*.

10. 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 species of salmonids (*Oncorhynchus sp.*, *Salvelinus alpinus*, *S. mala* and *Salmo*). The park is administered by the Kamchatka Nature Parks Directorate.

11. Located in the center 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 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 harbors IUCN Red Book plant species.

12. 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 area 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.

13. Socio-economic Context : 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 decade. 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 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 been decreasing as people move to the mainland in search of employment. In 1999, the unemployment rate rose another 5% over the previous year. In all, 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 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 project sites, NNP and BNP, are either near to or include communities. The other sites, KSBR and SKSS are only accessible either by helicopter, all-terrain vehicles, snowmobiles or boat.

14. Until recently, Kronotsky, like all zapovedniki in Russia, was off-limits to the general public, and human use of it was strictly limited to scientific research. Considering current economic difficulties, it is not surprising that people have proven to be less inclined to respect and obey the laws protecting these reserves and more inclined to view them as storehouses of

desirable 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 zapovedniki to open up more to non-exploitative commercial economic activity. Recreation, tourism and any other kind of revenue generating activity in zapovedniks 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 2,500 people visiting the Valley of the Geysers this year. Since visitation is by helicopter, and mostly 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 KamchatRybvod inspectors.

15. There are three coastal fishing villages on the southwestern edge of the SKSS with a total population of approximately 2,000 people. Historically, the villagers engaged in commercial fishing along with a limited amount of sport hunting, sport fishing and the 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 thought 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. The visitation of both KsBR and SKSS by tourists is provided for by a tourism service operator under agreement with the PAs' administration. The administration of KsBR and SKSS received \$71,000 from the helicopter tourism operator last year, which represents 20% of the overall revenue generated by this activity. In addition, the PAs' administration received 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.

16. Nalychevo Nature Park's southern boundary is situated within 10 km. of Kamchatka's largest concentration of population in the Petropavlovsk-Kamchatskiy/ 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, 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 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.

17. 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 \$1,900 from tourism to the parks last year, essentially from foreign visitors.

18. Policy and Legislative Context : Goals concerning nature conservation in Russia, as stated in federal legislation and policy, are very broad. For example, general goals include:

- the protection of ecosystems, air, soil, surface and ground water, forests, vegetation, wildlife, microorganisms, genetic diversity, and landscapes ;
- strengthening the regulation of natural resource use; and,
- the protection of biodiversity.

19. Objectives are more detailed and include:

- the protection of threatened and endangered species of flora and fauna ; and,
- the protection of natural ecosystems in a system of protected areas and to encourage research, education and public appreciation of the values of these areas.

20. Protected areas have the most specific objectives. For the strict nature reserves or zapovedniks (IUCN category I), for example, the objectives include:

- the protection of these natural territories in order to preserve their biodiversity and natural complexes in their natural state;
- the conduct of research and monitoring; and,
- the promotion of environmental education;

21. Being special purpose reserves, zakazniks are established for specific purposes, such as the protection of a particular species to ensure its future availability for hunting on nearby lands, the protection of the headwaters of a river, the protection of a certain botanical community, or any combination of conservation management objectives in the case of a “complex” zakaznik. Thus, the objectives of an individual zakaznik will vary with the purpose behind its designation. There are federal, Oblast level and local zakazniks.

22. Although the legislative and regulatory base governing resource use and nature conservation is extensive, it has been criticized for being more declaratory than instructive in character, at times contradictory, complex and thus, to some degree, difficult to implement.

Certain regions, including the Kamchatka Oblast, are making considerable progress in developing effective mechanisms for regulating land and resource use, and for improving coordination among responsible agencies.

23. 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 legislation.

24. The basic parent 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), the law enabled the establishment of regional (local) 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.

25. Russia has also been active in pursuing its nature conservation agenda through a range of international programs and related commitments. For example, since 1995, 5 natural areas have been designated as World Heritage Sites under the World Heritage Convention, including the Volcanoes of Kamchatka WHS.

26. 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 also 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.

27. 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 would be working in two of these areas -- Bystrinsky Nature Park and Nalychevo Nature Park, both of which were established in 1995.

28. Institutional Context : 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.

29. The Kamchatka SCEP was the Oblast level representation 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 the Kamchatka NRC.

30. 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.

31. Other agencies are also involved in PA management on account of their mandated responsibilities. KamchatRybvod 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. 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.

32. 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.

33. 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 Center, the Eurasia Fund, the Wildlife Conservation Society, the Pacific Environment Resources Center, 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. The National Science Foundation will be funding work out of the University of Alaska on traditional environmental knowledge in the BNP region, and UNESCO is also interested in supporting programmes on indigenous knowledge, socio-economic development, and strengthening the role of women in ecosystem conservation.

BASELINE COURSE OF ACTION

34. Threats: The principal threats to the protected areas' biodiversity are summarized below and are presented in greater detail in Annex IV.

35. Poaching and harvesting of natural resources beyond sustainable levels: The principal drivers of poaching include: the meeting of subsistence needs; sport; outright hooliganism; and, commercial gain. Subsistence hunting is increasing as a matter of necessity where jobs are few and salaries are frequently unpaid due to the prevalent poor 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 other use of NTFPs. Management plans for NTFPs are also required.

36. Uncontrolled access and unorganized visitation: Kamchatka is a highly attractive and growing 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 zapovedniki, access has historically been allowed only for scientific research. As a result, there is very little to no infrastructure for managing visitor impacts and only a small number of rangers to control illegal access and uses. Certain areas within Kronotsky zapovednik, such as the Valley of Geysers, are highly desirable tourism attractions and tourists are now being flown 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 trampling, littering, aquatic pollution, erosion, and fire frequency.

37. Pollution: Sources of terrestrial pollution within the PAs include visitors, staff and residents. Although at present, solid waste is not as significant in its potential 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. Thermal pollution of waterbodies by the dumping of geothermally heated water used for village home heating may also be a threat. The effects of these forms of pollution on the PAs' biodiversity are still largely unknown and deserve further analysis.

38. 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 would be caused by humans, any programme aimed at preventing fires in the PAs must necessarily, therefore, also include an environmental education component for PA visitors.

39. More specifically, the particular threats confronting the four individual protected areas, as identified by knowledgeable local experts during project preparation, are:

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 habitat 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 for heating
- river pollution by hydrocarbons and untreated human waste from two villages, along with possible thermal pollution of watercourse
- unregulated access and use of the park, including that by tracked vehicles on tundra, resulting in cumulative negative impacts on biodiversity

The **root causes** of these threats are as follows:

40. Weak protected area management capacity (personnel, programmes, equipment, infrastructure, training): Administrative, management, visitor use programming, and enforcement capacities of the protected areas in Kamchatka are fundamentally inadequate to address basic requirements. The staff of BNP, for example, consists of only the Director. Enforcement in NNP is the responsibility of two individuals. Operational needs in the form of essential infrastructure and communications and transportation equipment are also sorely lacking thereby compromising management. Aside from limited exhibits and the occasional publication of some informational materials, there are no programmes or staff dedicated to working with visitors. Thus, enforcement capability must be strengthened considerably, as should visitor programming. Staffing requirements

need to be addressed and protected area staff requires training in modern ecosystem based management approaches, enforcement techniques, working with visitors, and environmental awareness raising. There is also a need to involve local communities in PA management directly through employment and the provision of appropriate training in various management capacities. To guide management of the PAs, Management Plans and annual Operational Plans must also be prepared and implemented. Currently, none of the PAs has a Management Plan to guide its long-term management. Without these improvements, the PAs' biodiversity values will be increasingly compromised.

41. Inadequate quality and management of information : Currently, some essential biodiversity and resource use information is either dated, missing or not readily useful for decision-making. To date, information has been gathered in the PAs on vascular plants, terrestrial and marine mammals, birds and fish. Other orders have been poorly studied, if at all. In the absence of up to date information, over-exploitation of species may 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 are not shared among the PAs, which inevitably leads to management inefficiencies. Likewise, databases and other elements of data management are rudimentary and do not enhance decision-making. Access to information and its quick distribution to decision-makers are also areas requiring 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 design and management is needed.

42. Lack of sustainable financing mechanisms: Likely the most directly evident constraint on nature conservation initiatives continues to be the drastically reduced budgetary allocation to responsible management authorities. The effects of this massive under-financing, representing nearly a 90% reduction from former levels and which has been going on for years, 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 federal protected areas is rapidly crumbling, essential operations such as enforcement and research had to be drastically curtailed or eliminated, qualified expertise is leaving, and it is increasingly difficult to attract and retain new personnel. The sum total of these pressures is that the protected areas are extremely hard pressed to effectively fulfil their most basic mandated obligations.

43. Given the drastic shortfall in funding that the PAs presently face, the development of alternative and sustainable financing mechanisms is essential. A combination of mechanisms should be developed and used. These should 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). Taxation benefits accruing from in-kind contributions must also be examined and developed. 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 the 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 PA themselves, there will still be a significant projected shortfall between means and needs. Thus, a sinking Trust Fund, the *Kamchatka Protected Areas Conservation Fund*, must also be established to bridge the recurrent costs of PA salaries and operations until the GOR and KOA, in conjunction with alternative supplementary funding mechanisms, are capable of absorbing these costs. The KPACF should be operational for a period of 7 to 10 years after project completion. 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.

44. Low awareness and advocacy of biodiversity values : In spite of a considerable heightening of public environmental consciousness in Kamchatka over the past decade, there is still a general lack awareness of resource depletion 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 focusing on biodiversity in school curricula would be of invaluable assistance in this regard.

45. Lack of alternative livelihoods : Under current economic conditions, and given the general lack of enforcement in the PAs, poaching is a growing 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 sustainable development by reducing poaching and other user pressures on biodiversity in the PAs are basically non-existent. Stakeholders with an interest in pursuing sustainable resource use options cannot do so in the absence of financial incentives for resource conservation, and mechanisms such as micro-credit programs or community trusts. Conditions and mechanisms must be created to foster the development of sustainable alternative livelihoods to significantly reduce the currently increasing pressure on biodiversity in the PAs, and to provide a basis for sustainable community development into the future.

46. Absence of community involvement in PA management : Federal reserves have 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 and women in PA management. The development of community based management programs is essential. Local communities need to become directly involved in PA decision-making and management, and they must come to see their conservation as being in their cultural, social and economic self-interest. 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 also be developed.

47. Inadequacies in the legal and policy framework: The legislation governing protected areas concentrates 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 regulation 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. Protected area legislation and policy should be revisited to effectively manage the realities of increased stakeholder involvement. Although there is a desire to promote tourism as a financing mechanism for the PAs, legislation that promotes tourism by providing for favourable conditions has not been developed. Likewise, current taxation legislation inhibits the development of an official tourism industry due to the high levels of taxation it would be subjected to. Thus, tourism is occurring unofficially and the benefits of the activity largely bypass the Administration. Similarly, the high percentage of revenue generated by a PA through attempts at self-financing such as tourism, is retained after taxation, thereby creating a disincentive. 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, donations in kind, and others. The penalties provided for in legislation for poaching are also extremely low and inappropriate. For example, under current legislation, the maximum fine for poaching a brown bear or a sable is 800 rubles (\$28) per animal plus 10 rubles (\$0.35) for illegal hunting regardless of how many animals were killed. Similarly, the maximum fine for a poached sheep is \$100 when the head of a trophy ram may fetch up to \$10,000. Clearly, such legislation does not inhibit poaching but rather inadvertently condones 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 planning, community involvement, collaboration with other agencies, management and resource use in the PAs must be reviewed and strengthened, as required, to make it more conducive for directing and supporting more effective PA management and biodiversity conservation.

48. **Baseline:** The baseline course of events, as represented by a "business as usual" scenario, is summarized below. Baseline costs are presented in Annex II.

49. Protected area management: The economic conditions in the Russian Federation would result in a continuing low level of government funds for supporting protected area staff. Funding of essential management and operations functions would be extremely minimal, at best. Protected area management capability would, therefore, continue to 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, completing a protected areas gap analysis, strengthening environmental education, and providing for the construction of small-scale tourism infrastructure in Nalychevo Natural 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 provide some funding for promoting the use of traditional environmental knowledge

in management. IUCN would undertake a rapid protected area management effectiveness study in two PAs as part of a larger initiative on forest conservation and management.

50. Sustainable livelihood support: The development of sustainable alternative livelihoods would receive no 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 sustainable livelihood alternatives have not yet been developed 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. Several international NGOs, would continue to support Kamchatka-based NGOs in the promotion of more sustainable options for the development of Kamchatka's economy. The National Science Foundation, the Wildlife Conservation Society and IUCN would provide some short term support for developing the sustainable utilization of NTFPs. Without focussed and increased support for the development of alternative sustainable livelihood options, resource use pressures on the protected areas would continue to mount and exact an increasing toll on their biodiversity values.

51. 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 integrated into school curricula. Biodiversity conservation issues would remain of a relatively low priority. No biodiversity conservation programming for communities and visitors to the PAs would be developed.

52. 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. Key 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 remained would not be up to date, comprehensive, or necessarily relevant, thereby compromising the value of the information 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. Data would be rather rudimentary (presence and absence of species and population numbers) and would not be ecosystem-based.

53. Financing: Government expenditures on biodiversity conservation will continue to be limited. No funds would be available for key PA planning, management and operations. 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 overall comprehensive strengthening of the PAs on all required fronts 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.

54. Legislative and policy reform : In a business as usual scenario, existing inadequacies in the legislative and policy framework would 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 unrealized. Poaching of significant biodiversity would continue unabated.

ALTERNATIVE COURSE OF ACTION

55. Project Preparation : The project's development has been jointly financed by UNDP-GEF, the GOR, KOA, UNDP, CIDA and WWF. Activities conducted included: 1) numerous stakeholder consultations to define and refine project elements; 2) visits to local communities to discuss the project's objectives and solicit direct input from affected individuals; 3) preparation of a series of experts' reports; 4) threats and root causes identification; 5) three presentations of interim project development results to the Project Steering Committee; 6) negotiation of co-financing; and 7) report preparation.

56. Project Strategy : 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. Given the growing threats to PA biodiversity and currently low management capacity to effectively address them, the initial thrust of the project will be to support a *rapid build up and enhancement of management capacity* to stabilize the currently deteriorating situation. This will be accompanied by the *development and implementation of alternative financing mechanisms*, including the establishment of the KPACF Trust Fund to provide secure source of bridge financing of recurrent operational expenditures for up to 10 years beyond the project's timeline. The realization of required legal and regulatory reforms will necessarily be undertaken in parallel with the foregoing activities in the early stages. Annex III illustrates the scheduling of project activities.

57. The project will secure the protected areas' biodiversity values over a total timeline of 7 years. This length of time is required to realize the project's potential in its entirety. The project will be implemented in three distinct but very much dependent stages. Milestones have been defined for each stage (Annex III) and these will have to be met prior to proceeding to the next stage. Staging the project will result in increased quality assurance and control, thereby greatly increasing the likelihood of the project fully realizing its objectives. More information on the project's staging, as well as associated budgetary requirements, are presented in Annex X. The log frame (Annex III) summarizes the activities to be undertaken in each stage, their sequencing, and the indicators to be used for monitoring and evaluating the project's progress and overall performance. The threats analysis (Annex IV) summarizes the relationships among the threats, their root causes, and the activities to be undertaken to eliminate the threats. Six major project outputs are to be realized. GEF would fund the associated incremental costs (Annex II). Co-financing will be provided by the GOR, the KOA, UNESCO, IUCN, WWF, NSF, WCS, and through bilateral assistance ⁴.

⁴ Bilateral assistance has been identified and the co-financing arrangement is currently under development. The donor wishes to remain anonymous at this time.

58. The project outputs and a summary of key activities under each one are presented below. Detailed activities and their staging are presented in Annex III.

Output 1: Protected area management capacity is strengthened. (GEF US\$ 1.75 m; Co-financing US\$ 0.35 m)

59. Currently, the PAs are 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, legislation deficiencies, conflicts with adjacent land users, outstanding boundary definition issues, absence of management plans, lack of adequate and reliable funding support, and others. Activities to be undertaken under this output will be directed towards the alleviation of these key constraints to effective management.

60. A management plan will be prepared for each of the PAs. The first generation management plans will be adaptive since not all requisite information is currently available. These plans will be prepared in the first stage. The plans will set policy, confirm boundaries, establish zoning schemes, and create the foundation for conservation programmes for each of the PAs. They will be developed through a participatory process involving all affected parties. The continued direct involvement of local communities will be paramount, as will be the inclusion of indigenous and local perspectives and interests. These perspectives have been extensively solicited during project preparation through consultations with local communities. On the basis of the support given to the project by local communities, it is evident that the objectives and implications of the project's results are endorsed by local populations.

61. The near absence of an enforcement capacity in all of the PAs seriously compromises their biodiversity conservation effectiveness. For example, Nalychevo Nature Park (2,872 km²), that is facing increased poaching pressure, is presently protected by only 2 inspectors. 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 stationing of patrol stations in key locations in each of the PAs, involving local communities in conservation activities, the provision of means of communication and transport, and increasing the number of protection staff and their level of qualification through the institution of training. Training in ecosystem and natural resource management, with an emphasis on biodiversity conservation, will also be provided.

62. 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 determine recreational carrying capacities for the PAs, and those that strengthen visitor management. The latter include signage, erection of barriers to sensitive areas, rehabilitation or clean up of degraded sites, the construction of hardened trails where necessary, and the provision of essential infrastructure, such as campsites and waste facilities, at visitor concentration sites.

63. Administratively, the PAs are also deficient. For example, for Bystrinsky Nature Park, the staff consists of only the director. This park, along with Nalychevo Nature Park, will require support for the creation of an administration nucleus. 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.

64. 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.

65. All of the PAs have varying amounts of infrastructure and residents on their territories. To lessen their undesirable impacts, the project will support activities resulting in the decrease of pollution and clean up of currently degraded sites. These activities will be reinforced by activities under Output 5 directed towards increasing levels of environmental awareness.

Output 2: Biodiversity information and its management is upgraded. (GEF US\$ 0.15 m.; Co-financing US\$ 0.4 m)

66. Information on the PAs' biodiversity is to varying degrees incomplete or dated. The Nature Parks are only 5 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 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. The definition of essential information will be based upon an ecosystem and biodiversity conservation information needs assessment to be undertaken in the project's first stage. The contributions of local communities and the TEK of indigenous populations will be relied upon in this assessment. This will be followed by activities to establish an ecological baseline against which the effectiveness of the areas' management, and of the project, will be measured. This will be a milestone that will have to be achieved before progressing to the second stage.

67. Following the definition of the baseline conditions, the focus of activities will be on the development and implementation of an ecosystem based monitoring program 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 would be designed for all four PAs, and then that programme would be tailored to the specific requirements of each PA. A key element of monitoring programme development will be the selection of appropriate indicators. The indicators selected should also 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 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 specifically interested in supporting this element, and in revitalizing traditional modes of knowledge transmission and strengthening the role of women in this regard.

68. To enable the implementation of the monitoring and continuing biodiversity assessments, the project will support the establishment of permanent monitoring stations in PAs where these do not exist, and the refurbishing and equipping of stations that have fallen into disrepair. 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. 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. In this regard, the project will help amplify the efforts of the University of Alaska, funded by the NSF, and of UNESCO and the WCS.

Output 3: Protected area financing is strengthened. (GEF US\$ 1.5 m; Co-financing US\$ 3.0 m)

69. 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 experiencing immediate financing needs during an economically difficult time.

70. The development of the PAs' recreational and tourism potential is being promoted as a viable alternative source of financing within the PA administrations. Logically, however, it is necessary to first assess the recreational and tourism demand and potential prior to committing to this thrust. The project will first support the undertaking of a tourism feasibility study in order to determine the viability and potential scope of this activity. Should the outcome of the tourism feasibility study prove favourable, the project would then support key initiatives that would help develop managed tourism opportunities in the PAs, including work with indigenous communities to revitalize activities such as dogsledding and reindeer herding, as well as home stays and guiding.

71. Activities to be undertaken under Output 4 will be central to assisting the PAs in improving their degree of self-financing as well. Legal and institutional adjustments, for example, will be required to provide for the retention at source of a larger amount of revenue generated from the use of the PAs. Legislation and policy would have to be revised to provide for alternative sources of revenue for the PAs such as from leases, concessions, and user fees. Likewise tourism promoting legislation will be required to support the development of this industry.

72. It is fair to say, however, that the above activities, in conjunction with existing funding sources, will not fulfill the actual level of financing required to meet all of the PAs' actual needs. Thus, the development of a complementary *bridging* PA funding mechanism is also required. The project will support the development of the Kamchatka Protected Areas Conservation Fund (Annex VII). This will be established as a sinking Trust Fund to provide for the recurrent operational requirements of the PAs during the project and for up to 7 to 10 years beyond. The GEF contribution will finance the development of the funding mechanism and will leverage the

Fund's 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 at the outset from the GOR, the KOA and other donors. *The UNDP will ensure that Fund co-financing commitments will be secured for the duration of the project. Securing the targeted level of co-financing for each stage of the project will be a requirement to be met prior to progressing to the next project stage and release of GEF funds.* The Fund will also accrue supplementary revenues generated through implemented alternative revenue generation and resource "rent" capturing mechanisms, such as those mentioned in paragraph 43.

Output 4: Legal, regulatory and policy base is strengthened. (GEF US\$ 0.1 m.; Co-financing US\$ 0.45 m)

73. Existing legislation, regulations and policies governing the protected areas are deficient in several ways. For example, the legislation does not provide stringent enough penalties for contravention. In effect, therefore, it does not effectively control undesirable activities such as poaching and resource over-exploitation. Similarly, while there is a desire to promote tourism in Kamchatka, there is no legislation to make a conducive environment for its development, nor to govern it. The project will support a range of activities designed to address these legal and regulatory constraints to effective conservation. These activities will focus upon: increasing the fines for poaching, developing tourism promoting legislation, introducing environmental and biodiversity related education in school curricula, providing for greater self-financing of the PAs, increasing collaboration among federal and regional PAs, and strengthening the representation of the PAs' interests in decision-making concerning the allocation and use of adjacent lands and waters.

Output 5: Biodiversity awareness and advocacy is heightened. (GEF US\$ 0.2 m.; Co-financing US\$ 0.7 m)

74. While there has been a marked increase in environmental concern and advocacy on Kamchatka over the past decade, the overall level is still rather low. Nevertheless, there is strong support for biodiversity conservation in principle. This project will build upon this by supporting a range of activities designed to further raise awareness of biodiversity conservation at all levels and among all stakeholders. These will include awareness raising initiatives for decision-makers on land and natural resource values and uses. Particular emphasis will be placed upon work with local communities and resource users within and adjacent to the PAs. Work with visitors to and residents of the PAs will also be undertaken, focusing on the areas' biodiversity values, their global significance, and codes of appropriate behaviour. 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. The project will also support the preparation of biodiversity conservation programmes and materials, and their distribution using a variety of media.

Output 6: Enabling mechanisms are developed to support alternative livelihoods and community based conservation (GEF US\$ 0.55 m.; Co-financing US\$ 3.48 m)

75. 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. 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, their continued unmanaged use and expansion 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 management of natural resource use and the development of sustainable alternative livelihoods for local populations. Local populations, and especially indigenous peoples must also be directly involved in the PAs' management.

76. The focus will be on the two Nature Parks and SKSS, but particularly Bystrinsky Nature Park, where this need is most profound. The objective will be threefold. First, it will be to develop substitute sustainable economic activities so as to lessen the direct pressure on the PAs' biodiversity while providing economic benefits. 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. Secondly, it will be to develop and implement a mix of enabling financing mechanisms by which local populations may realize these alternative forms of livelihood. Thirdly, it will be 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.

77. To enable the realization of the above activities, the project will support the implementation of a micro-crediting facility for the development of small and medium enterprises (SMEs), 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 will be able to take advantage of available micro-credits from the outset, a complementary small grants programme will also be established so as not to exclude their involvement in and contribution to biodiversity conservation and community development. Individual grants would not exceed \$10,000, and would be awarded annually on a competitive and thematic basis. The small grants programme will be subject to a monitoring and reporting procedure to be developed during the first stage of the project. This output's activities will be largely co-financed by numerous project partners (UNESCO, WCS, IUCN, WWF, and a bilateral donor).⁵

⁵ Using CIDA funding, a micro-credit expert was hired during the PDF B to develop the SME and small grants financing mechanism. It has subsequently been reviewed by senior CIDA officials who are interested in supporting activities under this output. 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 will assist in the development of SMEs, such as those related to the sustainable use of NTFPs and tourism, while the small grants will 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 sensitization of hunters to

78. 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 III, 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 exploitation pressure from these populations. The recreational potential of the areas will have been realized 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 continuing elevation of biodiversity awareness and recognition of the need to safeguard biodiversity values among future generations in Kamchatka and visitors alike.

79. Project Beneficiaries : 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 species, habitats, and communities that are currently stressed and are increasingly threatened by numerous factors. Domestic benefits accruing from the project will include the enhancement and distribution of protected area management capabilities, 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 optimizes 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.

80. Eligibility for GEF Financing : Having ratified the CBD in 1995, and as a recipient of UNDP assistance, the Russian Federation meets the eligibility criteria of the GEF instrument under paragraph 9(b). This project is eligible under Operational Programme No. 4 – Mountain Ecosystems. Specifically, it satisfies the 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).

81. Linkage with UNDP CCF : 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 also developing other GEF projects in Kamchatka as summarized below. UNDP is now the most high profile international facilitator of biodiversity conservation initiatives in Kamchatka.

82. Linkage with other GEF Initiatives : The provision of assistance to existing protected areas in the Russian Federation to secure their globally significant biodiversity values is one component of the World Bank – GEF “Russian Federation Biodiversity Conservation Project”. Aside from providing assistance for the preparation of a Management Plan for the Kommadorskyi Islands zapovednik, that project does not include any sites on the Kamchatka Peninsula itself. This project fills this gap in support for a globally significant ecoregion. Several other UNDP-GEF projects are currently under preparation in other regions of the Russian Federation. Of particular direct relevance to this project is the "Conservation and Sustainable Use of Wild Salmonid Diversity in Kamchatka" project that is being developed concurrently with this project. 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, increasing biodiversity awareness, and improving the information base for biodiversity conservation through joint activities such as monitoring of fish populations. Likewise, UNDP has completed a PDF A for the North Pacific, that also has bearing on the project sites. In addition, the project provides a coherent unifying framework for the integration of a number of initiatives of other organizations. These include the work of WWF on NTFPs and community outreach, as well the initiatives of the University of Alaska (NSF funded), UNESCO and IUCN dealing with TEK, NTFPs and community development. While these are not GEF funded initiatives, they are supportive of and integral to the project's thrust. Communication and coordination with the other initiatives will be pursued throughout the life of this project to ensure the optimization of synergy and the realization of efficiencies in their implementation.

PROJECT IMPLEMENTATION

83. The project will be executed by the GOR through the MNR with the direct **joint** participation of the KOA, and will adhere to UNDP nationally executed project requirements. The administration of project funds will be the **joint** responsibility of the UNDP and the GOR. The GOR'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 and GEF with that from other sources; 4) assisting in the preparation of Terms of Reference for contractors and required tender documentation; and 5) chairing the Project Steering Committee (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 GOR and the KOA will also facilitate the implementation of the required legal and regulatory reforms. The UNDP will be responsible for: 1) financial management; and 2) the final approval of payments to vendors, the procurement of goods in excess of \$US 10,000, the approval of Terms of Reference, recruitment of consulting services, and sub-contracting. The implementation arrangements for the project have been designed to maximize transparency and accountability.

Disbursement figures will be publicly available. These arrangements have been accepted by the stakeholders.

84. Participatory decision-making is also highly stressed in the project. A Project Steering Committee (PSC) will be formed to provide overall guidance and support to project implementation activities. The PSC will consist of representatives from: the GOR, the Kamchatka NRC, the KOA, the KIENR, KamchatRybvod, KamchatNIRO, the Hunting Management Agency, UNDP, the indigenous population, research institutes, WWF (Russian Programme Office) and Kamchatkan NGOs. The PSC will meet the first month after project commencement, every 3-4 months during the project's first stage, and every six months in subsequent years to review the project and set major policy and implementation directions. A Technical Advisory Committee will be established to provide support and advice to the PSC, the Project Director and Project Manager.

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

86. Reporting to the NPD will be the Project Manager (PM). The PM will be a full time employee of the project and will be chosen in an open and fair competitive manner following standard UNDP hiring procedures. The PM will be in charge of implementing the project and managing project activities. He/she will oversee and co-ordinate the work of the four working teams located in Kamchatka. All staff will be hired using standard UNDP hiring procedures.

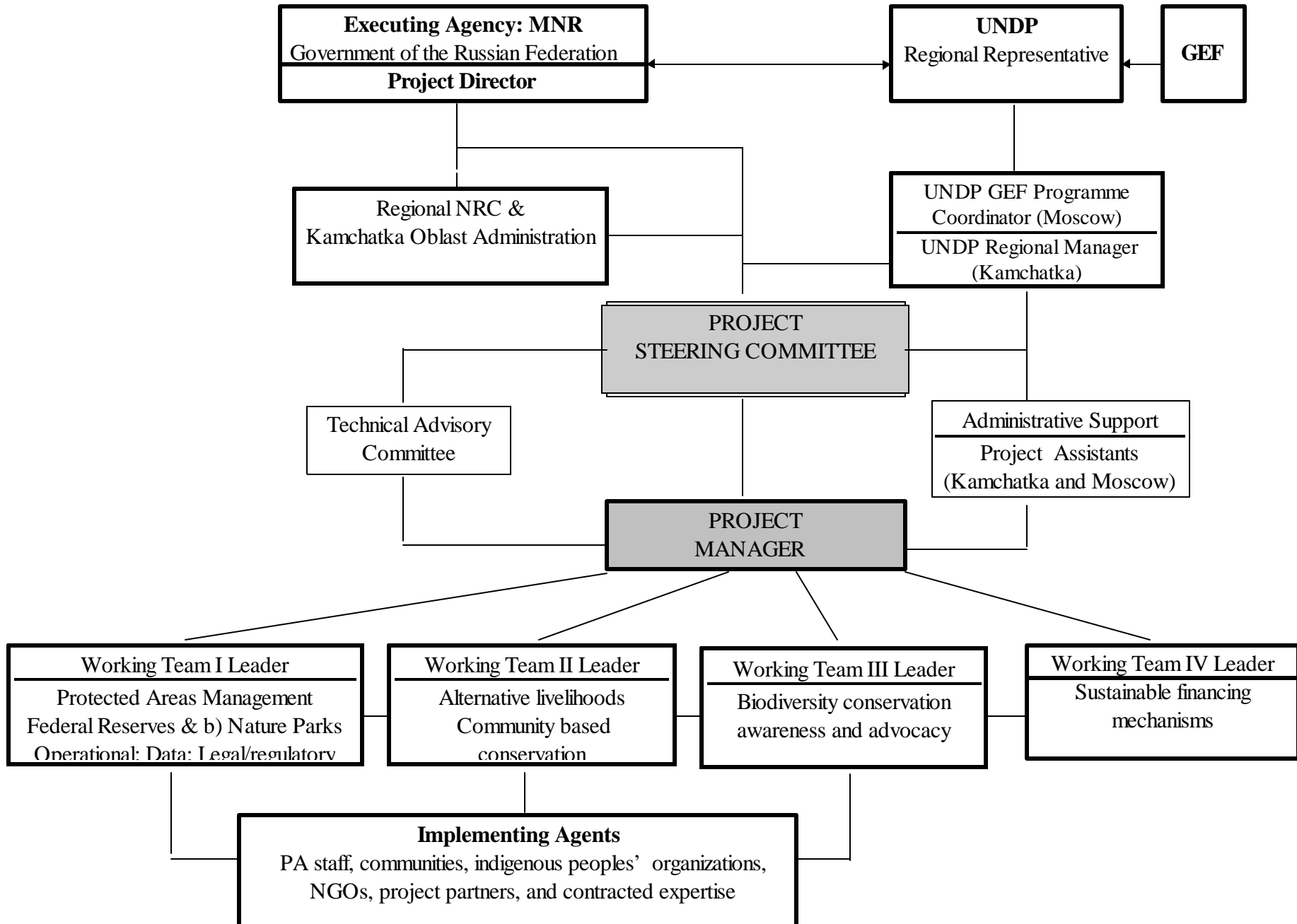
87. The UNDP Country Office will support the project's implementation by maintaining project budget and project expenditures, contracting project personnel, experts and subcontractors, carrying out procurement, and providing other assistance upon request of the National Executing Agency. The UNDP Country Office will also monitor the project implementation and achievement of the project outputs and 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 UNDP Regional Manager based in the UNDP Programme Support and Co-ordination Office in Kamchatka. The UNDP Regional Manager in Kamchatka will be also responsible for the working level co-ordination of the on-going UNDP/GEF projects in Kamchatka, reporting to the UNDP/GEF Programme Co-ordinator.

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

Activity Area	Implementing Agents
Protected area management	MNR (NRC), KOA, KNPД, local communities
Protected area information	MNR (NRC), KOA, KNPД, research institutes, local communities, NGOs
Sustainable financing	GOR, MNR (NRC), KOA, NGOs, bilateral donors
Institutional strengthening	GOR, KOA
Conservation awareness and advocacy	NGOs, KOA, research institutes, media
Alternative livelihoods and community-based conservation	MNR (NRC), KOA, NGOs, local community organizations

89. Stakeholder Participation: Extensive stakeholder participation has been sought and obtained during project preparation (Annex VI). All stakeholders have expressed support for the project's objectives. Workshops and stakeholder meetings were held in Petropavlovsk-Kamchatskyi and in the communities of Esso, Anavgai and Milkovo. Experts working on various aspects of the project have likewise met with all key stakeholders during project preparation. The Project Steering Committee, comprised of representatives of all key stakeholders, met three times during project development to guide the process and to review progress. The PDF 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. 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 being included in the project to promote and sustain this essential relationship. The draft project brief was reviewed and endorsed both by the Kamchatka Oblast Administration and the GEF National Operational Focal Point (Annex I).

IMPLEMENTATION ARRANGEMENTS



FINANCIAL ARRANGEMENTS

90. Incremental Costs : The incremental project costs, not counting project preparation expenditures, to be financed by GEF total \$US 4.25 million. The amount of \$US 8.48 million in co-financing for sustainable development baseline and non-GEF incremental activities has been leveraged during project preparation for the realization of the domestic and local benefits to be realized in conjunction with the securing of global benefits .

PROJECT BUDGET BY STAGES

(in millions)

Project Outputs	Stage 1 (US\$)		Stage 2 (US\$)		Stage 3 (US\$)	
	GEF *	Co-financing	GEF	Co-financing	GEF	Co-financing
PA management	1.00	0.20	0.50	0.15	0.25	–
PA information	0.15	0.20	–	0.20	–	–
Sustainable financing	0.50	1.00	0.50	1.00	0.50	1.00
Institutional strengthening	0.10	0.18	–	0.19	–	0.08
Conservation awareness and advocacy	0.10	0.20	0.10	0.40	–	0.10
Alternative livelihoods and community-based conservation	0.25	1.00	0.20	1.71	0.10	0.87
Total Full Project	2.10	2.78	1.30	3.65	0.85	2.05
SubTotal:Full Project	GEF: US\$ 4.25 Co-financing: US\$ 8.48					
Project Preparation	GEF: US\$ 0.2337 GOR: US\$ 0.0245 KOA: US\$ 0.015 UNDP: US\$ 0.072 CIDA: US\$ 0.066 NGO: US\$ 0.0345					
GRAND TOTAL (Stage 1 + Stage 2 + Stage 3 + Preparation) : US\$ 13.17					GEF: US\$ 4.4837 Co-financing: US\$ 8.692	

* Currently being requested

91. Cost Effectiveness : The total project costs to provide for the long-term conservation of globally significant biodiversity values in four WHS areas are very reasonable given the comprehensive nature and spatial coverage of the project. The cost effectiveness is further enhanced by the fact that two of these areas are only five years old and thus the targeted

expenditures will be used in a proactive manner to minimize biodiversity loss from the outset, which is always more effective than rectifying damages that have already occurred.

SUSTAINABILITY OF PROJECT RESULTS

92. Project Risks: The project is predicated upon several assumptions listed in the log frame (Annex III). The principal potential project risks are listed below, alongside the proposed mitigative measures to be employed to eliminate or minimize them. As with any project, the perceived potential risks attracting most attention are perceived political instability and poor economic conditions. Kamchatka is one of the most politically stable regions in the Russian Federation, partly due to its continuing military significance but also on account of the relatively low and widely dispersed population. While economic uncertainty always presents a risk to any project of this nature, the staging of the project will provide a mechanism for monitoring and managing this potential risk. On the basis of the widespread support for the project exhibited by all stakeholders, and the continuing demonstrated commitment to support the PAs even in these economically trying times, this risk is minimized. Diverse sources of co-financing also help mitigate the risk.

Risk	Rating	Mitigative Measures
Political instability	L	Project region is particularly stable in relation to other regions in the Russian Federation partly on account of its military significance
Institutional uncertainty	L	Project design has garnered support at all levels of government. Thus, institutional changes will not greatly affect project delivery, aside from potential delays
Misunderstood objectives	L	Project objectives have been clearly articulated during project design and will continue to be presented through project newsletter and mass media throughout its implementation
Lack of institutional support	L	Responsible authorities have been party to project design and recognized the need for the project. All affected authorities will be directly involved in implementation and will have input throughout project delivery. The project has been endorsed by both federal and regional governments
Conflicts among stakeholders	M	Effort has gone into precluding this possibility during project design by involving all stakeholders in open fora. The project manager and the PSC will mediate and resolve any conflict
Delays in required institutional adjustments	M	Project management will play advocacy role in promoting required adjustments. Specified adjustments converge with national and regional objectives and current trends
Weak coordination with co-financed project inputs	L	Project Steering Committee will provide required coordination between GEF input and those of other co-funders
Security of co-financing from executing agency and KOA	L	Co-financing is primarily for baseline and sustainable development baseline and represents currently recurring on-going commitments of expenditures

Risk Rating: L=low; M=medium; H=high

93. Sustainability: The project's financial sustainability is enhanced through the activities proposed under Output 3. The level of co-financing interest indicated for this project, as well as the diversity of sources, also will contribute towards its sustainability. The KPACF will ensure that the recurrent operational expenditures of the four PAs will be covered for 7 to 10 years beyond the project. The multi-stakeholder approach utilized in its implementation, along

with the development of strengthened institutional capacities and management capabilities of all parties to the project, will likewise promote its sustainability. The commitment to absorb upwards of 90% of the incremental salary costs of additional PA staff upon the project's completion will also greatly contribute to the sustainability of project results.

MONITORING, EVALUATION AND LESSONS LEARNED:

94. **Monitoring.** This project has a comprehensive M&E program included in its overall design. Project progress will be monitored using annual reviews and implementation milestones. 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 implementation.

95. In addition, the project will be subject to the standard UNDP/GEF monitoring requirements. Monitoring field visits will be carried out at least once a year by the UNDP CO/UNDP Regional Manager in Kamchatka. The PM will prepare and submit bi-monthly narrative reports to the NPD and UNDP. The project manager will also be required to produce an Annual Project Report (APR). 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 provides a basis for the annual Tripartite Review (TPR) meeting -- the highest policy-level meeting of the parties directly involved in the implementation of a project. Decisions and recommendations of the TPR will be presented to the PSC.

96. 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 stage (year 5, q. 3). Its objectives will mirror those of the first evaluation. 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.* 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 III. The evaluation criteria will be presented in detail in the project Monitoring & Evaluation Plan. 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.

97. The project's design incorporates lessons from other biodiversity conservation initiatives in the Russian Federation.

Lesson	Relevant Project Design Feature
Project objectives and parameters must be clear to all interested parties and the general public to avoid unfounded expectations	Objectives and parameters were clearly presented to all affected and interested parties during project development and will continue to be during implementation using the regular project newsletter and the mass media
Project progress monitoring must be an on-going process	Tracking and reporting on implementation is integral to the project M&E plan

Multiple stakeholders, including local communities, must be involved in project implementation	All responsible authorities and local communities and stakeholders were involved in the project' s design and will be participating in its implementation
Reporting on project achievements to all interested parties and the general public must be done regularly	Project newsletter and regular mass media contact is provided for in the project
Project delivery must be politically neutral and transparent	Project Steering Committee to be responsible for ensuring this
Project management structure and associated responsibilities must be clear to all	Structure and responsibilities to be clarified through project approval

LIST OF ANNEXES

ANNEX I	COUNTRY ENDORSEMENT
ANNEX II	INCREMENTAL COST ANALYSIS
ANNEX III	LOGICAL FRAMEWORK
ANNEX IV	THREATS ANALYSIS
ANNEX V	MAP OF PROTECTED AREAS
ANNEX VI	STAKEHOLDER PARTICIPATION IN PROJECT DESIGN
ANNEX VII	KAMCHATKA PROTECTED AREAS CONSERVATION FUND
ANNEX VIII	STAP REVIEW
ANNEX IX	RESPONSE TO STAP REVIEW
ANNEX X	PROJECT STAGING AND ASSOCIATED FUNDING

ANNEX I COUNTRY ENDORSEMENT

Unofficial translation

Ministry of Natural Resources
of the Russian Federation

31 October 2000 # 33-01-3/571

To: Mr. Philippe Elghouayel
 UNDP Resident Representative
 in the Russian Federation

Dear Mr. Elghouayel,

I have considered the proposed GEF project “Demonstrating sustainable conservation of biological diversity in four protected areas on Russia’ s Kamchatka peninsula” and acting in the capacity of GEF Operational Focal Point in Russia I support the project proposal.

The unique value of the Kamchatka peninsula’ s biological diversity and the importance of conservation and sustainable development in the region are widely recognized. The balanced approach between economic development and biodiversity conservation described in the UNDP/GEF project is the best approach for establishing a sustainable mechanism for managing these resources in Kamchatka.

In view of the above, I endorse the UNDP/GEF project proposal.

Sincerely,

A.M. Amirkhanov
Head of the Directorate for environment protection
and ecological safety,
GEF National Operational Focal Point

Unofficial translation

Administration of the Kamchatka Oblast

04.10.2000 # 44-2391

To: GEF Secretariat

Cc: Mr. Philippe Elghouayel
UNDP Resident Representative
In the Russian Federation

Dear Sirs,

I appreciate the valuable attention paid by the Global Environment Facility and the United Nations Development Programme to Kamchatka. The Oblast Administration has been continuously addressing environment protection issues in the region and considers this work to be extremely important. Unfortunately tight financial situation in the oblast does not allow us financing environment protection activities to the full extend. Therefore, we highly appreciate UNDP/GEF assistance through the co-funding of the project “Demonstrating sustainable conservation of biodiversity in four protected areas in Russia’ s Kamchatka Oblast”.

The project envisages conservation and sustainable use of the unique globally significant nature of Kamchatka. We hope, that through the joint project implementation we would be able to create sustainable mechanism of biodiversity conservation, to support Kamchatka’ s indigenous people in preservation their traditional land use practices, to enhance protected area management system, and to create employment opportunities for the local population.

I hope that our joint efforts aimed at the project implementation will be beneficial for the Kamchatka region as well as for the international community.

Sincerely,

B.P. Sinchenko
First Deputy Governor
of the Kamchatka Oblast

ANNEX II: INCREMENTAL COST ANALYSIS

1. Broad Development Objectives:

1.1 The Government of the Russian Federation is 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 is currently completing its National Biodiversity Strategy. 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 GOR'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.

2. Global Environmental Objectives:

2.1 The project's global environmental objective is to secure the global biodiversity benefits of the Kamchatka Peninsula's protected areas by demonstrating sustainable and replicable conservation of globally significant biodiversity in four different existing protected areas. The project areas are globally significant because: 1) they are all included in a UNESCO World Heritage Site; 2) they contain representative biodiversity of an acknowledged global region of conservation importance; 3) they contain large expanses of essentially untouched and diverse landscapes; 4) they harbour important species diversity, both terrestrial and aquatic; and 5) they have numerous endangered and IUCN Red Book species within them. These sites, and their biodiversity values, are being increasingly threatened by varied anthropogenic stresses. In spite of the GOR's and KOA's concern and commitment to the continued conservation of these areas, and parallel concern and efforts of other stakeholders such as the research and NGO community, baseline activities and levels of financing are inadequate to fully realize effective and sustainable conservation of these sites. Without the prescribed interventions and

essential incremental assistance, the globally significant environmental benefits associated with these areas will be seriously compromised.

3. Baseline:

3.1 The GOR 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 GOR annually expends US\$ 0.053 m on 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's annual expenditure for the administration of its PAs, environmental protection, biodiversity conservation activities and environmental monitoring amounts to US\$ 0.168 m. At present, the administration of Bystrinsky Nature Park consists of one individual, the director. No on-site management capacity is present in this park, and it is severely limited in Nalychevo Nature Park. The total baseline appropriations for the four PAs' administration and management over the 7 year project timeline is US\$ 1.547 m. Gaps 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 annual GOR appropriation for forest protection and management for KSBR and SKSS amounts to US\$ 0.139 m. The parallel figure for the KOA is US\$ 0.021 m. These expenditures are for forest protection staff, fire and disease control, as well as limited reforestation and research. The total baseline appropriation for forest protection and management in the four PAs over the project timeline is US\$ 1.12 m. Gaps, such as in forest ecosystem based management, will remain under this baseline scenario.

Wildlife Protection and Management: The GOR annually appropriates US\$ 0.03 m for wildlife protection and management activities in the two federally administered PAs. The KOA appropriates US\$ 0.021m for its two nature parks. This funding is for inventorying of selected population numbers, and limited management activities. Poaching pressure on species such as bear, reindeer and snow sheep would likely increase with such limited funding. The total baseline appropriation for wildlife protection and management in the four PAs over the project timeline is US\$ 0.357 m. Under this baseline, weaknesses will remain in the management and conservation of biodiversity in the PAs.

Fisheries Conservation and Management: The federal fisheries management agency, Kamchatrybvod, annually appropriates US\$ 0.082 m for fisheries conservation and management within the four PAs. This provides for population surveying, monitoring,

enforcement, and habitat management. This level of funding 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. The total baseline appropriation for fisheries conservation and management over the project's timeline is US\$ 0.574 m. This level of baseline funding fails to provide for essential conservation management of the fisheries resource, particularly in the face of growing poaching pressure.

Since forest, wildlife and fisheries conservation and management appropriations are expended within the four PAs, the total appropriation for the PA management baseline, therefore must include these figures. Thus, the total appropriation for PA management over the course the project's timeline would be US\$ 3.598 m.

Environmental Awareness and Education: The KOA annually appropriates US\$ 0.012 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. The total KOA appropriation for environmental education and awareness for the project's timeline is US\$ 0.084 m.

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 amount to US\$ 0.010 m. Over the course of the project timeline, this amounts to US\$ 0.07 m.

Local Communities and Sustainable Livelihoods : The KOA currently appropriates US\$0.050 annually 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. Over the timeline of the project, this amounts to US\$ 0.35 m.

Financing of Protected Areas: The financing of conservation and management activities in the PAs is almost entirely dependent upon appropriations from the GOR and KOA budgets. The Ecological Fund of Kamchatka Oblast is also a source of funds for Oblast conservation activities. Limited occasional external funding for certain activities, such as brown bear research, makes a contribution. Under the current extremely difficult circumstances, all of the PAs are searching out other options to finance their most basic management requirements. This includes restricted ecotourism development. Options for broadening the financing base must be explored, including the implementation of user payments. Likewise, enabling financing mechanisms must be developed and implemented to secure the long-term financing of the PAs' biodiversity conservation programmes.

4. GEF Alternative:

4.1 During the project's preparation, the following categories of activity were defined by stakeholders as being essential to the mitigation of the identified threats.

- a) Strengthening the management capacity, including enforcement , within the four PAs
- b) Improving the information base on the PAs and its use in management
- c) Providing for appropriate and sustainable levels of financing of the recurrent costs associated with the management of the PAs
- d) Strengthening the legislative and regulatory base governing the administration and management of these areas to promote more effective conservation
- e) Improving the levels of environmental awareness and advocacy among all societal sectors
- f) Developing and implementing options for alternative sustainable livelihoods for local communities , and involving local communities, and necessarily indigenous peoples, in the conservation and management of the PAs

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 outputs:

a) Strengthened Protected Area Management Capacity: The project would finance activities that would greatly improve the management capacity of the four sites. The project would: provide for the preparation of a management plan for each of the PAs as well as operational plans, establish administrations for 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. These activities are complementary to the baseline and are all required to conserve the PAs' global biodiversity values. The total cost of these activities (US\$ 2.1 m) would be financed by GEF (US\$ 1.75 m), the GOR (US\$ 0.20 m), and the KOA (US\$ 0.15 m).

b) Improved Information on the Protected Areas: The project would 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 would include the completion and updating of key inventories, development and implementation of biodiversity monitoring programmes in all of the PAs, and establishment of shared data bases. The focus would 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 receive significant attention. Monitoring equipment and essential infrastructure would also be provided for. These expenditures are complementary to the baseline costs and are required to secure the PAs' global biodiversity values. The total costs (US\$ 0.55 m) would be financed through GEF (US\$ 0.15 m), the NSF (US\$ 0.32 m), and UNESCO (US\$ 0.08 m).

c) Established Sustainable Financing Mechanism : The Kamchatka Protected Areas Conservation Fund would be implemented to contribute to the financing of essential recurrent operational costs of the four protected areas . GEF funds (US\$ 1.5 m) would be used to operationalize and partly finance it, and US\$ 3.0 m would be provided through co-financing by the GOR (US\$ 0.3 m) and the KOA (US\$ 0.2 m) and bilateral assistance (US\$ 2.5). The fund would be supplemented through instituted visitor fees, permit fees such as for ecotourism and filming, and penalties for regulation breaches. The KPACF would be designed to provide for recurrent expenditures for a period of 7 to 10 years beyond the project's timeline.

d) Institutional Strengthening: The project would 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 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 total cost of the activities would be US\$ 0.55 m. and would be financed by GEF (US\$ 0.1 m), the GOR (US\$ 0.1 m), the KOA (US\$ 0.1 m) and bilateral assistance (US\$ 0.25).

e) Environmental Awareness and Advocacy : An environmental and biodiversity conservation awareness programme will 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 PA administrators, managers and visitors. This project element will generate diffuse global benefits and is seen as being incremental to the ongoing baseline environmental education activities. The costs of this project component (US\$ 0.9 m) will be shared by GEF (US\$ 0.2 m), the GOR (US\$ 0.05 m), the KOA (US\$ 0.05 m), the WWF (US\$ 0.05 m), and bilateral assistance (US\$ 0.55 m).

f) Alternative Sustainable Livelihoods and Community Based Conservation : The project would 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. This would primarily be in Bystrinsky Nature Park. A NTFP management programme will be developed. The development of ecotourism opportunities, including home stays and guiding, in conjunction with pursuits such as dog-sledding, 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 be established to provide a source of funding. Of the total cost of this project component (US\$ 4.13 m), GEF would finance US\$ 1.55 m, while co-financing has been secured from the GOR (US\$ 0.15 m), the KOA (US\$ 0.15 m), bilateral donors (US\$ 2.28 m), the NSF (US\$ 0.25 m), WWF (US\$ 0.55 m), UNESCO (US\$ 0.02 m), WCS (US\$ 0.1 m) and IUCN (US\$ 0.08 m). GEF funding would be used to support work in the compilation and dissemination of TEK as well as the development of PA co-management with local populations.

5. Incremental Costs and Benefits:

5.1 The incremental cost matrix that follows summarizes the domestic and global benefits resulting from the above project outputs. GEF funds would support activities that generate long-term global benefits. Such benefits will be less tangible than the domestic benefits that will be co-financed. The cost of the baseline business-as-usual activities over the course of the project is estimated at US\$ 4.47 m. Co-financing totaling US\$ 2.85 m. has been arranged for sustainable development baseline activities that yield domestic benefits but are nevertheless essential for the conservation of biodiversity and underpin the ultimate realization of global benefits. The total incremental costs amount to US\$ 9.88 m. Of this sum, GEF's contribution would be US\$ 4.25 m, with the remaining US\$ 5.63 m. being funded through co-financing. Project preparation costs were US\$ 0.445 m., with GEF contributing US\$ 0.233 m., the GOR US\$ 0.024 m, the KOA US\$ 0.015 m, UNDP US\$ 0.072 m., CIDA US\$ 0.066 and NGOs US\$ 0.034 m. The total project cost, including project preparation, sustainable development baseline and increment amounts to US\$ 13.175 m. The GEF Alternative would cost US\$ 17.20 m, of which GEF would fund only 24.7 %.

Incremental Cost Matrix

<u>Component</u>	<u>Cost Category</u>	<u>Cost (in millions)</u>	<u>Domestic Benefit</u>	<u>Global Benefit</u>
Output 1: PA management	Baseline	Total=US\$ 3.60	Insufficient financial and human resources to protect the PAs' biodiversity values	Inability to effectively manage the PAs presents an on-going threat to the areas' biodiversity
	GEF Alternative	Total=US\$ 5.70	Improved local PA management skills and progressive attainment of management objectives	Strengthening of the management capability in the PAs safeguards globally significant biodiversity values
	Sustainable Development Baseline	GOR: US\$ 0.20 KOA: US\$ 0.15 Total: US\$ 0.35		
	Increment	GEF: US\$ 1.75 Total: US\$ 1.75		

Output 2: PA information and its use in decision-making	Baseline	Total= US\$ 0.42	Deficiencies in information base and absence of ecosystem based monitoring undermines effective management	Effectiveness of PAs' management and their role in biodiversity conservation in the long-term is compromised
	GEF Alternative	Total= US\$ 0.97	Effectiveness of information , its collection, management and use is enhanced	Management is based on relevant information and conservation of biodiversity is enhanced and made more effective
	Sustainable Development Baseline	NSF: US\$ 0. 32 UNESCO: US\$ 0.08 Total: US\$ 0.40		
	Increment	GEF: US\$ 0.15 Total: US\$ 0.15		
Output 3: Sustainable PA financing mechanism	Baseline	Total= Nil	Funding mostly dependent on GOR and KOA. 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 to mid-term
	GEF Alternative	Total= US\$ 4.5	Broadening of funding base and strengthening of financial support skills	Mechanism for long-term meeting PA recurrent conservation management costs provided for
	Sustainable Development Baseline	GOR: US\$ 0.3 KOA: US\$ 0.2 Total: US\$ 0.5		
	Increment	GEF: US\$ 1.5 Bilateral: US\$ 2.5 Total: US\$ 4.0		
Output 4: Institutional strengthening	Baseline	Total= US\$ NIL	Legal/regulatory base insufficient to regulate biodiversity over-exploitation and not conducive to development of alternative sources of PA financing	Legal deficiencies compromise effectiveness of PAs as conservation instruments and constrain their development towards greater self-sustainability

	GEF Alternative	Total= US\$ 0.55	Legal/regulatory base strengthened to effectively address current conservation and management requirements	PAs effectiveness in conservation of biodiversity values is strengthened
	Sustainable Development Baseline	GOR: US\$ 0.1 KOA: US\$ 0.1 Total= US\$ 0.2		
	Increment	GEF: US\$ 0.1 Bilateral: US\$ 0.25 Total= US\$ 0.35		
Output 5: Conservation awareness and advocacy	Baseline	Total= US\$ 0.1	Low appreciation of the need for conservation to achieve sustainable development	Environmental awareness remains relatively low and efforts at raising it are fragmented
	GEF Alternative	Total= US\$ 1.00	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
	Sustainable Development Baseline	GOR: US\$ 0.04 KOA: US\$ 0.04 WWF: US\$ 0.04 Total= US\$ 0.12		
	Increment	GEF: US\$ 0.20 Bilateral : US\$ 0.58 Total: US\$ 0.78		
Output 6: Alternative livelihoods and community-based conservation	Baseline	Total=US\$ 0.35	Conservation objectives and needs of local populations not mutually supporting	Conservation objectives compromised through lack of local community involvement and support
	GEF Alternative	Total=US\$ 4.48	Conservation and community development objectives are inter-dependent and mutually reinforcing, and are pursued concurrently	Pressures on biodiversity from local communities are eliminated and local communities actively participate in conservation management in the PAs

	Sustainable Development Baseline	GOR: US\$ 0.15 KOA: US\$ 0.15 NSF: US\$ 0.25 WWF: US\$ 0.55 WCS: US\$ 0.10 IUCN: US\$ 0.08 Total: US\$ 1.28		
	Increment	GEF: US\$ 0.55 UNESCO: US\$ 0.02 Bilaterals: US\$ 2.28 Total: US\$ 2.85		
Total	Baseline	US\$ 4.47		
	GEF Alternative	US\$ 17.20		
SD Baseline	Full Project Non-GEF	US\$ 2.85		
Incremental Cost	Full Project GEF Non-GEF Total	US\$ 4.25 US\$ 5.63 US\$ 9.88		
	Preparation			
	GEF	US\$ 0.2337		
	UNDP	US\$ 0.0720		
	GOR	US\$ 0.0245		
	KOA	US\$ 0.0150		
	CIDA	US\$ 0.0660		
	NGO	US\$ 0.0345		
	Total	US\$ 0.4457		
Grand Total	US\$ 13.175			

ANNEX III LOGICAL FRAMEWORK

Objectives	Indicators	Means of Verification	Assumptions and Risks
<p>Goal: To secure the global biodiversity benefits of the Kamchatka Peninsula's PAs</p>	<ol style="list-style-type: none"> 1. Number of PAs has not decreased 2. Effectiveness of PA system has been strengthened beyond 2008 	<p>Biodiversity surveys PA system review PA management effectiveness review</p>	<ul style="list-style-type: none"> ◆ PAs represent Kamchatka's complement of global biodiversity values ◆ PAs are not sacrificed to economic development interests ◆ Support of existing PAs continues at baseline levels
<p>Purpose: To demonstrate approaches to sustainable conservation of biodiversity in four existing PAs</p>	<ol style="list-style-type: none"> 1. No decrease in size of PAs 2. Areas of contiguous habitat have not decreased 3. Functional connectivity with adjacent lands is maintained 4. Threats have been eliminated or greatly reduced 5. Conflicts are resolved through multi-stakeholder participatory decision-making 6. Viable populations of threatened and rare species remain in the PAs 7. Representative indicator species maintained at viable population levels 	<p>Aerial photographs Aerial photographs Aerial photographs Monitoring programme results Nature of decision-making procedures employed Field surveys Field surveys</p>	<ul style="list-style-type: none"> ◆ Political stability is maintained in the Oblast ◆ Socio-economic conditions do not deteriorate further ◆ Governments willing to make necessary adjustments to facilitate PA conservation effectiveness ◆ Sustainable development baseline is maintained

<p>Output 1:</p> <p>PA management capacity is strengthened</p>	<p>Stage 1</p> <p>Management Plans are prepared and approved for each protected area Staffing requirements identified and additional staff for incremental PA management functions hired</p> <ul style="list-style-type: none"> · PA Directorates for Nature Parks established · Essential equipment, supplies and infrastructure procured · Tourism development opportunities are assessed · Recreational carrying capacities determined · Annual Operational Plans prepared <p>Stage 2</p> <ul style="list-style-type: none"> • Skills and knowledge of PA staff increased • Poaching incidence decreased • Fire control improved • Degraded sites decreased in area · Stakeholders participate in PA decision-making · Users impacts controlled and managed <p>Stage 3</p> <ul style="list-style-type: none"> • Collaboration among PAs strengthened · Second generation Management Plans prepared 	<ul style="list-style-type: none"> ▪ Approved Management Plans ▪ Staff numbers and budgets ▪ Existence of Directorates ▪ Procurement records ▪ Tourism feasibility study has been conducted ▪ Study report ▪ Operational Plans on record ▪ Training and qualification levels ▪ Surveys and records ▪ % burned areas ; response times ▪ Change in area degraded ▪ Multi-stakeholder PA Management Advisory Committees functioning ▪ Monitoring reports ▪ PAs exchange information ▪ Revised and approved Management Plans 	<ul style="list-style-type: none"> ◆ Agreements on management can be reached among all stakeholders ◆ Qualified staff available ◆ Baseline support continues ◆ Equipment maintained in operational state ◆ Tourism development seen as a priority ◆ Targeted level of co-financing realized ◆ Enforcement effective ◆ New fires restricted through effective use of education ◆ New degradation restricted through better controls ◆ Councils representative of all interests ◆ Users' acceptance of behaviour restrictions ◆ Institutional adjustments provide for increased collaboration
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<p>Output 2:</p> <p>Information on the PAs' biodiversity values and uses is upgraded and its use in decision-making management is strengthened</p>	<p>Stage 1</p> <p>Existing biodiversity information for each PA is collated and standardized Meta-database is produced Data needs are defined Required key biodiversity assessments are defined Traditional environmental knowledge appraised and means of integration into decision-making defined</p> <p>Stage 2</p> <p>Biodiversity assessments carried out Monitoring framework and procedures are developed Socio-economic assessments conducted</p> <p>Stage 3</p> <p>Monitoring programmes implemented Reporting mechanisms to decision-makers at all levels functioning Biodiversity surveys continued as required</p>	<p>Information data bases</p> <p>Meta-database for each PA Data gathering plans formulated Research plan is produced</p> <p>Report on file</p> <p>Reports on surveys and research Monitoring program and protocols in place Reports on file</p> <p>State of PA monitoring reports Inclusion of PA biodiversity values in decision-making Data base updating continuous</p>	<ul style="list-style-type: none"> ◆ Information is readily available ◆ Stakeholders willing to share information ◆ Traditional environmental knowledge is retained in the communities ◆ Willingness to participate in assessments ◆ Targeted levels of co-financing realized
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<p>Output 3:</p> <p>Sustainable financing mechanisms are developed to provide for recurrent and incremental PA operational costs</p>	<p>Stage 1</p> <p>25% of additional staff salaries absorbed by KOA and NRC User fees instituted</p> <p>KPACF designed, first stage co-financing secured, and fund operational</p> <p>Stage 2</p> <p>50% of additional staff salaries absorbed by KOA and NRC KPACF operational and second stage co-financing secured</p> <p>PAs retain increased portion of generated funds</p> <p>Stage 3</p> <ul style="list-style-type: none"> • Third stage co-financing secured • 90% of incremental staff salaries absorbed by KOA and NRC by project's completion <p>Incremental costs of PA management and operations provided for by KOA and NRC</p>	<ul style="list-style-type: none"> ▪ Budget analysis ▪ Revenue generation receipts from users ▪ Approval of Fund ▪ Budget analysis ▪ Fund capitalized from multiple sources ▪ PA budget analysis ▪ Budget analysis 	<ul style="list-style-type: none"> ◆ Targeted level of co-financing realized ◆ Willingness and capacity to pay ◆ Fund mechanism legally acceptable ◆ Equitable cost-sharing arrangements can be negotiated ◆ Legislation modified to permit revenue retention ◆ Willingness and capability to maintain commitment not altered by external economic and political changes
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<p>Output 4:</p> <p>Institutional adjustments remove barriers to effective PA management and biodiversity conservation</p>	<p>Stage 1</p> <p>Biodiversity policy analysis undertaken Inadequacies in existing legislation and regulations defined</p> <p>Stage 2</p> <p>PA biodiversity conservation objectives factored into all regional economic development plans and policies</p> <p>Legislation revised to support tourism development, alternative financing of PAs, stronger anti-poaching deterrent and inclusion of conservation curriculum in schools Strong effective anti-poaching legislation and its enforcement</p> <p>Stage 3</p> <p>Development policies for adjacent lands support biodiversity conservation in PAs</p>	<ul style="list-style-type: none"> ▪ Report on file ▪ Report on file ▪ Plans indicate biodiversity conservation concerns ▪ Policy constraints to biodiversity conservation removed ▪ Changes in legislation to support biodiversity conservation ▪ Stiffer penalties for poaching and higher incidence of convictions ▪ Policy review 	<ul style="list-style-type: none"> ◆ Level of co-financing realized ◆ Biodiversity conservation remains a priority in regional development plans and policy development sensitive to biodiversity conservation ◆ Legislative reforms expedited ◆ Commitment to strict control of poaching
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<p>Output 5:</p> <p>Biodiversity conservation awareness and advocacy of stakeholders is strengthened</p>	<p>Stage 1</p> <p>PA communications strategy developed</p> <p>Awareness programme developed Awareness materials prepared</p> <p>Stage 2</p> <p>Awareness programme implemented</p> <p>Evidence of increased publicity of PA biodiversity conservation issues</p> <p>Changes in perceptions and attitudes of visitors to PAs as well as staff</p> <p>Stage 3</p> <p>Conservation curriculum in schools</p> <p>PA and NGO biodiversity specialists consulted on regional land use decisions</p>	<ul style="list-style-type: none"> ▪ Communications strategy ▪ Programme production ▪ Materials available ▪ Records of programme delivery ▪ Publications, media coverage reports ▪ Survey results ▪ Education curricula ▪ Involvement in decision-making 	<ul style="list-style-type: none"> ◆ Agreement on awareness programme strategy ◆ Regional media supportive partners ◆ Education authorities accepting of curriculum revisions ◆ Targeted level of co-financing realized
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<p>Output 6:</p> <p>Alternative livelihoods and enabling mechanisms for local populations are developed and local communities actively participate in PA conservation and operations</p>	<p>Stage 1</p> <p>Ecotourism feasibility defined NTFP harvest limits established for PAs and NTFP management plans prepared SME financing facility and community small grants programme developed Traditional economic pursuits defined and their economic feasibility appraised</p> <p>Stage 2</p> <p>Small-business development fund operating Community small grants programme initiated Tourism promotion activities started Number of tourists/visitors increases Involvement of local community members in PA operations Community based conservation officers recruited and trained Community conservation councils developed</p> <p>NTFP and other resource utilization in PAs sustainable</p> <p>Stage 3</p> <p>PA decision-making involves communities</p>	<ul style="list-style-type: none"> ▪ Ecotourism feasibility study ▪ PA specific documentation ▪ Organizational and procedural documentation ▪ Report on opportunities on file ▪ Fund records ▪ Programme disbursements ▪ Publications, programmes ▪ Visitor surveys ▪ Numbers employed directly or indirectly ▪ Staffing records • Community councils established ▪ Independent evaluation of monitoring results • Communities are partners in decision-making on PAs 	<ul style="list-style-type: none"> ◆ Consensus reached with communities on management strategies ◆ Limits defined with local communities ◆ Targeted levels of co-financing realized ◆ Financial mechanisms in place ◆ Favourable results of tourism feasibility study ◆ External factors do not constrain development of tourism as a viable economic alternative ◆ Availability of personnel ◆ Records maintained ◆ Incentives developed are effective in altering livelihoods to more sustainable forms ◆ Role of councils legitimized <i>vis a vis</i> PA administrations
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Activities	Stage 1 (years 1-2)	Stage 2 (years 3-5)	Stage 3 (years 6-7)
Output 1	<ul style="list-style-type: none"> 1.1 Prepare Operational Plans for years 1 and 2 1.2 Prepare and obtain approval for first 5 yr. PA Management Plans 1.3 Identify staffing requirements and prepare job descriptions 1.4 Establish and staff Directorates for BNP and NNP 1.5 Design and erect/acquire facilities for Directorates for two Nature Parks 1.6 Mobilize additional staff to meet incremental management needs 1.7 Provide essential training for staff in resource management, biodiversity conservation, enforcement and working with visitors 1.8 Procure essential field and office equipment 1.9 Install ranger patrol stations as per Management Plan for each PA 1.10 Assess impacts of pollution on biodiversity and prepare options for pollution control 1.11 Design and undertake recreational carrying capacity study 1.12 Undertake tourism development feasibility study 1.13 Clean up degraded sites as per Operational Plans 	<ul style="list-style-type: none"> 1.14 Prepare Operational Plans for years 3,4,5 1.15 Design and construct essential visitor management facilities (trails, camping sites, waste facilities, signage, barriers) 1.16 Procure essential fire control equipment 1.17 Designate community-based PA conservation staff 1.18 Provide essential training to community conservation staff 	<ul style="list-style-type: none"> 1.19 Prepare Operational Plans for years 6,7 1.20 Review and revise Management Plans

<p>Output 2</p>	<p>2.1 Develop standardized biodiversity database format for all PAs 2.2 Compile existing biodiversity information for each PA using above format 2.3 Develop common meta-databases for each PA 2.4 Identify data gaps and other key deficiencies for each PA 2.5 Appraise and compile traditional environmental knowledge capacity in communities within BNP, and among users of KSBR, NNP and SKSS 2.6 Develop key research needs plan for each PA including biodiversity and socio-economic needs 2.7 Produce and publicize research needs catalogue for all PAs within national and international research community 2.8 Plan biodiversity and socio-economic assessments for each PA</p>	<p>2.9 Undertake biodiversity assessments as per individual research plans 2.10 Undertake socio-economic assessments as per research plan 2.11 Develop biodiversity monitoring framework and protocols 2.12 Install and restore monitoring stations and procure essential equipment 2.13 Train staff in monitoring procedures 2.14 Commence monitoring programme in each PA 2.15 Develop reporting procedures to land and resource use decision-makers within KOA 2.16 Develop and institute data sharing and information exchange procedures among PAs 2.17 Develop format for preparing annual State of PA report and begin report production at end of year 3</p>	<p>2.18 Continue monitoring programmes 2.19 Produce annual State of PA report</p>
<p>Output 3</p>	<p>3.1 Develop KPACF regulations and procedures 3.2 Capitalize KPACF from multiple sources 3.3 Operationalize KPACF 3.4 Determine possible additional sources of financing (from public funds to concessions and user fees) 3.5 Secure 25% of incremental staff salary costs 3.6 Ensure that baseline funding commitments are realized 3.7 Promote development of partnerships</p>	<p>3.8 Institute user and permit fees and revenue retention by PAs 3.9 Secure additional 25% of costs of incremental staff salaries 3.10 Monitor and report on effectiveness of KPACF annually 3.11 Annual reporting on trends in heightening self-financing</p>	<p>3.12 Secure final 40% of incremental Nature Park PA staff salary costs from KOA</p>

Output 4	4.1 Undertake biodiversity policy analysis 4.2 Review existing legislation, regulations and policies to define conflicts and inadequacies 4.3 Lobby for stricter penalties in legislation for poaching and other contraventions 4.4 Lobby for development of tourism promotion legislation 4.5 Lobby for inclusion of environmental education in school curricula 4.6 Lobby for allowing PAs to retain revenues to help offset recurrent operational expenses	4.7 Provide for inclusion of PA conservation objectives in all development plans, including forestry, mining and petroleum development 4.8 Monitor impacts of legal/regulatory/policy regime on PAs 4.9 Institute reporting mechanism for publicizing findings to decision-makers and other stakeholders	4.10 Continue monitoring legal/policy impacts on PAs 4.11 Review and report on effectiveness of instituted changes 4.12 Lobby for continued required adjustments in institutional arrangements
Output 5	5.1 Agreement among stakeholders on a communications strategy for raising biodiversity awareness 5.2 Preparation of material on environmental and biodiversity conservation awareness 5.3 Development of environmental awareness programme for each PA 5.4 Delivery of environmental awareness programmes in PA communities and to users of adjacent lands 5.5 Development of conservation curriculum for schools 5.6 Awareness raising among media in region 5.7 Design of interpretive facility for each PA 5.8 Provide materials and training to decision-makers on biodiversity conservation needs of PAs	5.9 Construct interpretive facilities in each PA 5.10 Train staff in biodiversity conservation programme delivery to visitors 5.11 Delivery of environmental awareness programmes to visitors 5.12 Surveys of perceptions and attitudes 5.13 Delivery of conservation curriculum in schools 5.14 Monitor effectiveness of programme delivery and make adjustments as required	5.15 Continued expansion of biodiversity conservation awareness through mass media 5.16 Review of programme results and modifications to strategy as required

<p>Output 6</p>	<p>6.1 Initiate community outreach programmes at each PA 6.2 Establish contractual arrangements for community members for PA management and protection functions 6.3 Provide essential infrastructure, training and equipment for community conservation guards 6.4 Develop sensitivity in communities on tourism services and expectations 6.5 Develop tourist and visitor behaviour codes 6.6 Initiate tourism promotion activities 6.7 Assess current uses of NTFPs 6.8 Develop management plans for all NTFPs based on sustainability of use 6.9 Establish regulations and procedures for SME and community small grants facility 6.10 Establish community conservation councils 6.11 Develop training programme for small business start-up ventures 6.12 Define opportunities for small business support measures 6.13 Develop SME/small grants facility regulations and procedures 6.14 Capitalize SME/small grants facility</p>	<p>6.15 Operationalize SME/community small grants facility 6.16 Set up extension consulting facility for small business 6.17 Monitor and report on effectiveness of funding mechanisms in meeting objectives 6.18 Community council involvement in PA management decisions 6.19 Monitor and report on use of NTFPs 6.20 Provide training in communities on tourism and guiding services, home stays, interpretation 6.21 Develop and implement programmes for support of traditional livelihoods 6.22 Develop opportunities for marketing of local handicrafts and other SME initiatives</p>	<p>6.23 Multi-stakeholder preparation of PA Management Plans 6.24 Continue building up tourism capacity 6.25 Adjust funding mechanisms as appropriate on basis of reviews 6.26 Re-capitalize initial investment by end of year 7 6.27 Continue to implement support programmes for alternative livelihoods</p>
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ANNEX IV

THREATS ANALYSIS

THREATS	ROOT CAUSES	PROPOSED PROJECT OUTPUTS AND ACTIVITIES
<p>Poaching of wildlife, particularly bear, snow sheep, reindeer, marine mammals and salmon. Reduces populations and changes population structures due to removal of trophy animals</p>	<p>Subsistence needs in poor economic conditions and lack of alternative livelihoods in communities in PAs, as well as economic enticement of organized poaching Near absence of enforcement capability in the PAs</p> <p>Low level of overall proactive management capacity in PAs</p> <p>Legislative deficiencies that do not strictly inhibit illegal activities Lack of awareness by population of importance of biodiversity conservation and role of PAs in this regard Lack of involvement of local communities in PA management</p>	<p>Development of alternative livelihoods for resource dependent communities (Output 6) Involvement of communities and indigenous peoples in PA management (Output 6)</p> <p>Staffing to required levels and provision of training, essential operational equipment and infrastructure (Output 1) Preparation of Operational Plans, focusing on enhancement of protection capability (Output 1) Development of alternative financing mechanisms to provide for long-term financing of biodiversity conservation (Output 3)</p> <p>Strengthening of legal and regulatory framework (Output 4)</p> <p>Public awareness building as part of participatory management (Output 5)</p> <p>Building of stakeholder coalitions - community outreach programming Development of community conservation councils Compilation and use of indigenous peoples' knowledge in management of PAs Development of participatory management programmes Hiring and provision of training to local community conservation staff (Output 6)</p>
<p>Harvesting of NTFPs and other natural resources, including endangered plants, above levels of sustainability</p>	<p>Economic pressures arising from lack of alternative sustainable livelihoods Information base on NTFPs and other exploited natural resources not comprehensive or up to date, compounded by absence of monitoring and thus compromised permitting system</p>	<p>Develop alternative livelihoods for local populations (Output 6) Institute financing mechanisms and basic business training Conduct assessments on past and current use of NTFP and other natural resource and establish a monitoring programme for natural resource use (Output 6) Review and strengthen permitting system on basis of updated information (Output 4)</p>

	Absence of management plans for NTFPs Low levels of awareness of biodiversity values and resource exploitation limits	Preparation of NTFP management plans (Output 6) Biodiversity awareness programming at community level (Output 5)
	Lack of community participation in PA conservation management	Development of participatory management approaches (Output 6)
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	Near absence of management capacity to 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	Staffing up and provision of training to staff on visitor management Preparation of PA Management Plans Installation of access controls (Output 1) Environmental awareness raising programme development and delivery (Output 5) Development of visitor behaviour codes (Output 1)
Terrestrial and aquatic pollution by residents of PAs and visitors (solid waste, abandoned equipment, hydrocarbon, potentially thermal)	Lack of environmental awareness among residents of PAs and visitors Absence of management and operational plans in the PAs Lack of waste collection/treatment infrastructure	Environmental awareness raising programme development and delivery (Output 5) Preparation of PA Management Plans and Operational Plans (Output 1) Clean up of sites and institution of waste collecting programme (Output 1) Assessment of biodiversity impact of river pollution (Output 2)
Potential increased incidence and extent of fire caused by humans	Low levels of environmental awareness Absence of facilities for users of PAs	Environmental awareness raising programmes within PAs and with general public using mass media (Output 5) Provision of essential infrastructure for visitors to manage their activities (trails, rest areas, campsites, fire pits) (Output 1)
Habitat degradation and disturbance of wildlife populations, especially in coastal areas	Low levels of awareness concerning effects of human use on biodiversity	Environmental awareness raising activities, including work with tour operators (Output 5) Management Plan preparation including zoning of strict protection areas Strengthening of surveillance and enforcement capacity (Output 1)

ANNEX V

MAP OF PROJECT PROTECTED AREAS

ANNEX VI STAKEHOLDER PARTICIPATION IN PROJECT DESIGN

This project was 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 GOR, 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 (KamchatRybvod), 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 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 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, NSF and the University of Alaska, and WCS. Extensive consultations with these partners have resulted in mutual understanding and the development of a partnership in project design and delivery.

As a result of the extensive consultations undertaken and the direct participation of all stakeholders throughout the project development process, 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 has now been endorsed by the federal government and by the Kamchatka Oblast Administration.

ANNEX VII KAMCHATKA PROTECTED AREAS CONSERVATION FUND

Current levels of financing of the four protected areas are clearly insufficient for them to fully and effectively perform their functions as biodiversity conservation instruments. Nonetheless, the Government of the Russian Federation and the Kamchatka Oblast Administration have continued to support the PAs even in these very difficult economic times. Considering the multiple competing priorities that the Government and Administration presently face, this is clear testament to their commitment to biodiversity conservation and to these protected areas. The currently experienced low levels of financing will not exist forever. There are signs of improvement already, such as reliable funding of staff salaries and slowly increasing budgets of the PAs over the past three years. Nevertheless, the current levels remain insufficient to provide for effective management of the PAs. What is required, therefore, is a bridging financing mechanism to provide a secure source of funds for the PAs' recurrent operational costs until these costs are entirely absorbed by the PA administrations. This is expected to occur 7 to 10 years beyond the timeline of the project.

GEF's recent experience with conservation trust funds indicates that they can be an effective mechanism in providing medium to long term financing for biodiversity conservation. Experience has also shown that conservation trust funds are more than just financial mechanisms. They are also mechanisms for the development of effective and adaptive programmes, and governance structures and processes involving multiple stakeholders. They help build partnerships in conservation. So called "park funds" have been very successful in providing the required security of resources for recurrent operational expenditures and salaries of PA staff in situations where governmental budgetary commitments remain unpredictable. Experience has also shown, however, that a "parks fund" cannot provide for all resources required for PA management. The resources of these funds are most effectively used in a catalytic manner by covering essential recurrent expenses for a specified time period, while simultaneously securing other complementary sources of funding. These may include government appropriations, user fees, specialized levies, and donor co-financing contributions.

The proposed Kamchatka Protected Areas Conservation Fund (KPACF) would be set up to provide a reliable source of funding for recurrent operational costs of the four PAs, and it would also be used as a mechanism for involving NGOs, communities, indigenous peoples' organizations and other potential partners in PA co-management and biodiversity conservation activities. It will, therefore, contribute to the development of partnerships in conservation, of increased financial accountability and governance structures, NGO and community capacity, and overall, a greater role of civil society in biodiversity conservation.

The KPACF would be established in three stages:

Design and Consultation: Project GEF funds would initially support the design of the KPACF. The fund's design would be based upon experiences with similar funds elsewhere and recommendations provided in the GEF *Evaluation of Conservation Trust Funds* report. The fund design stage would address its operational structure, eligibility criteria, disbursement and reporting procedures, board composition, by-laws, funding priorities and

other characteristics. The fund's design would be submitted to the PSC and subsequently to GEF for endorsement.

Commencement. The fund operationalization schedule would be developed within the first six months of the project. All legal tasks required to establish the fund would be performed then. The fund's by-laws and operating guidelines and procedures would be developed. The fund's Board of Directors would be established. The Board will be comprised of major trust fund donors, and all stakeholder groups, including the federal Government and Oblast Administration, UNDP, the private sector, the NGO community, and indigenous peoples' and local community organizations. Because of the innovative nature of the fund in Kamchatka, the services of an international fund operations advisor will be relied upon during the first two years.

Capitalization The KPACF would be capitalized in three tranches. GEF's initial contribution of US\$ 0.5 m would occur following GEF approval of the fund's design and eligibility criteria, and confirmation that the expected co-financing of US\$ 1.0 m from designated partners has been deposited into the fund. This would occur within the first year of the project. The second GEF contribution (US\$ 0.5 m) would occur at the end of year 2, pending the confirmation of the expected co-financing (US\$ 1.0 m) from identified co-funders. The final GEF contribution (US\$ 0.5 m) would occur by the end of year 3 pending the deposit of matching co-financing of US\$ 1.0 m from partners. By the end of year 3, therefore, the fund will have been capitalized at US\$ 4.5 m. Of the US\$ 3.0 m in co-financing, the GOR and KOA will contribute US\$ 0.5 m. GEF contributions would be contingent upon targeted co-financing being secured. UNDP will ensure that the required co-financing is secured over the first three years of the project.

The size of the KPACF has been determined on the basis of estimated incremental recurrent operational expenditures for the four project sites. These include total salaries, operations, depreciation of infrastructure and equipment, and Fund management.

UNDP-GEF

**DEMONSTRATING SUSTAINABLE CONSERVATION OF BIOLOGICAL
DIVERSITY IN FOUR PROTECTED AREAS IN RUSSIA'S KAMCHATKA
OBLAST (RUS/99/G43/A/1G/99)****STAP REVIEW OF PROJECT BRIEF****Scientific and technical soundness of the project**

Project administration

Overall, this project appears sound from both scientific and technical viewpoints, and considerable work has gone into its preparation. However, it is a complex project, involving four large non-contiguous areas, of which two are administered by the federal Ministry of Natural Resources and two are administered by the Kamchatka Oblast. The Project Steering Committee (PSC) will be crucial in defining roles and responsibilities. The list of agencies/organizations to be included in the PSC is quite long (§84), but the envisaged numbers of representatives from each are not indicated (nor who is 'indigenous population' or which research institutes and NGOs would be included). This is a key issue, as the relative power and involvement in local affairs vary considerably. Similarly, it would have been useful to have information on the prospective membership of the Technical Advisory Committee. I would suggest that, at least in the first years of the project, the PSC should meet more often than once every six months to ensure that everything is coordinated and on track. I am also concerned by the implementation arrangements: the structure shown in the table on page 26 of seems workable, but it would be good to have greater clarity as to how the activities of the four Working Teams relate to the six outputs.

Scientific information

Information on all aspects of biodiversity, as well as economic activities and other societal data, in the four sites is essential to the project, yet this information generally appears to be sparse and not available as the spatially-related data that is critical for management. The activities listed under Output 2 appear appropriate. However, a key issue will be to prioritise activities and allocate resources so that, by the end of the project, there is a similar level of information for key resources all four PAs, with appropriate indicators and monitoring mechanisms developed. I would suggest that the standardized database format should take into account similar database formats for other comparable projects developed within GEF and other projects, and also be designed to take into account the needs of the World Heritage periodic review process. As Kronotsky is a Biosphere Reserve, it could be useful if the format matched the MAB BRIM format closely.

Threats

The descriptions and analysis of threats appear to be realistic, as are the outputs and activities to address them. However, one threat is not mentioned: gold mining in the Aginskoe area, close to the Bystrinsky Nature Park. This was raised during the World Heritage nomination process, and also during the 22nd extraordinary session of the Bureau of the World Heritage Committee (Kyoto, 28-29 November 1998). If it is still an issue, it should be taken into consideration in this project.

Administrative, legal, regulatory and policy aspects

Conservation of biological diversity in the region will clearly require the employment of significantly higher numbers of PA staff than at present. The Project Brief does not suggest very concretely what likely levels of employment in this and related sectors will be. As much as possible, recruitment should be local. For the management regime to be successful, an effective and equitable legal, regulatory and policy framework (which is consistent between levels and across agencies) will have to be put into place at both federal and Oblast levels to help to minimise the various threats, particularly poaching, non-sustainable use of NTFPs, and recreation. The activities outlined in the Project Brief appear appropriate.

Global environmental benefits and/or drawbacks of the project

The global biodiversity values of the four PAs included in this project were recognised in 1996 by their inscription under criterion ii of the World Heritage Convention. Kamchatka is one of WWF's 'Global 200' ecoregions. The diversity of the flora is high both in individual PAs and also across the four sites as a whole, as they extend from coastal to arctic-alpine ecosystems, and also include hot-spring ecosystems. Mammal diversity is not particularly high, but the area provides habitat for important populations of both terrestrial and marine species. Fish populations are also important, as are bird populations, especially in the South Kamchatka State Sanctuary, which is an important site for migratory species.

I do not see any global environmental drawbacks to the project.

GEF context: goals, operational strategies, programme priorities, GEF Council guidance and the provisions of the relevant conventions

The project fits well within the mission and operational principles of the GEF with regard to biological diversity. Paragraph 80 of the Project Brief mentions the eligibility of the project under Operational Programme (OP) No. 3 (Forest ecosystems). However, as noted in the Identifiers at the beginning of the Project Brief, it fits better under OP No. 4 (mountain ecosystems), considering that the entire area being considered in the project is mountainous, and it includes not only forest, but also alpine and coastal/marine ecosystems. The proposed activities contribute to both the conservation and sustainable use program objectives of OP No. 4. Certain aspects of the proposed activities fall within OP Nos. 2 (coastal, marine and freshwater ecosystems) and 3.

The references to various articles of the CBD in §80 of the Project Brief are appropriate.

Regional context

As noted in §82 of the Project Brief, other UNDP-GEF projects are at various stages of development in both the immediate region (Kamchatka) and the wider North Pacific region. The present project complements these projects, as well as others being implemented or under development by other organisations, well. The South Kamchatka State Sanctuary's importance for migratory bird species also shows its regional importance.

The 22nd extraordinary session of the Bureau of the World Heritage Committee (Kyoto, 28-29 November 1998) noted the possible extension of the World Heritage site. Such expansion should also be considered as part of the current project, particularly with regard to the Kronotsky State Biosphere Reserve. Like most other Biosphere Reserves in the Russian Federation, this is primarily a core area, with minimal if any buffer area, and no transition area. This will doubtless be recognised when the Government of the Russian Federation submits its periodic report on the Biosphere Reserve to the MAB Secretariat, as has been requested. Given the objective of Biosphere Reserves to be “sites of excellence to explore and demonstrate approaches to conservation and sustainable development at a regional scale” (as defined in the Statutory Framework of the World Network of Biosphere Reserves), the present project would appear to provide an opportunity for the Government of the Russian Federation to develop such a ‘site of excellence’ in Kamchatka, contributing also to GEF objectives. This would require the expansion of the current Biosphere Reserve, the preparation of a management policy/plan for the Biosphere Reserve as a whole, and the development of an appropriate mechanism/authority (involving a wide range of stakeholders) to implement this. Given that the Kamchatka Oblast is considering further expansion of the PA network (§4), I would suggest that the project should consider areas outside the boundaries of the four PAs currently referred to (I note that many others are mentioned in §4 but are not shown on the map).

Replicability of the project (added value for the global environment beyond the project itself)

There are many aspects of the project which are of significance for other areas, especially in former socialist countries. The stakeholder involvement in the design of the project (Annex VI) appears to have been exemplary – it is to be hoped that this close involvement will continue throughout the implementation and evaluation of the project and beyond. The development of opportunities for alternative livelihoods is also critical, and provision of micro-credit for SMEs and other aids to the development of small businesses will provide valuable models for other areas, if successful. This will require realistic appraisal of ideas for business development, especially those related to the use of natural resources and tourism, given the relatively low levels of visitation and the huge potential for rapid expansion. The tourism feasibility study, and work on recreational carrying capacity, will be important precursors.

The development of a sinking Trust Fund is also an excellent idea given the current situation and the need for development and strengthening of the necessary management, legal and regulatory instruments. At the same time, activities which derive economic benefits from the conservation of biological diversity (e.g., tourism) should provide direct financial support for PA management (cf. §43). Here again, transferable models could be developed.

The activities related to biodiversity awareness and advocacy (Output 5) could provide valuable models for other locations, especially if these have significant impacts on the perceptions of people living in Petropavlovsk-Kamchatsky as well as the small rural communities. Children, tourist operators, and tourists themselves (even before they arrive in

the area) should be particularly targeted. Changes in perceptions and attitudes should be developed as indicators for Output 5.

The development of information collection and management systems to address key ecosystem management issues is important, but in this case it may be more valuable for this project to test some of the many models developed elsewhere than to develop new ones.

Sustainability of the project

Long-term sustainability appears to have been considered in some detail in the preparation of the Project Brief. The region is in a very dynamic situation with regard to the economy and its existing, developing, and potential sectors. However, the flexible, rather than prescriptive, approaches envisaged would appear to be suitable to ensure that the aims of the project continue beyond the seven-year implementation phase.

Secondary issues

Linkages to other focal areas

As Kamchatka is a peninsula, and three of the four sites extend to the sea, there could be potential linkages to international waters activities. Integrated ecosystem management is effectively a key objective of the project, albeit at the level of each PA.

Linkages to other programmes and action plans at regional or sub-regional levels

Activities of a number of organisations (e.g., IUCN, UNESCO, University of Alaska, WWF) are listed in §82. It is noted that these are complementary to the project, and indeed that it provides a “coherent unifying framework for the integration of the initiatives of other organizations”. Even if these organisations are not represented on the Project Steering Committee (which could be considered), it would seem appropriate for them to be represented on the Technical Advisory Committee. IUCN, UNESCO, and WWF as well as the NSF (funding University of Alaska work) and the Wildlife Conservation Society (WCS) are all listed as donors in Annex II, which shows their support for the project. Other international organisations are listed in §33 as having supported Kamchatkan NGOs, though it is not stated how these will be involved in the project (presumably through activities related to Output 5).

Both the Government of Russia and the Kamchatka Oblast Administration are listed as providing significant resources. This indicates their support for the project. In the case of the Government of Russia, it would be hoped that experiences from in this project will have wide applicability across the Russian Federation. In particular, the effective expansion of the Kronotsky State Biosphere Reserve to fulfil all Biosphere Reserve functions would be a valuable output (there are 20 Biosphere Reserves in the Russian Federation).

Other beneficial or damaging environmental effects

As noted above, this region is in a very dynamic situation with regard to both its economy and biodiversity conservation. It is not only an area of global importance for its biodiversity but, as shown by the World Heritage designation, also for its geological (especially thermal) and landscape characteristics. Tourism and recreation can be of great value in contributing to local economies and providing funds for biodiversity conservation, but can also lead to

serious negative consequences. Appropriate marketing and access, as well as measures designed to ensure that the maximum of benefits accrue locally, will be key elements. It is to be hoped that improved access will not exacerbate poaching and non-sustainable harvesting of natural resources. Thus, the monitoring and evaluation programme must be very carefully designed and effectively implemented.

Degree of involvement of stakeholders in the project

As noted above, stakeholder involvement in the development of this project appears to have been exemplary. The comments made above under ‘Replicability of the project’ are germane; if the values of conserving biological resources translate into employment, income and quality of life for local people, then this project will succeed in its objectives for the region and be of significant value at the global scale.

Capacity-building aspects

Capacity-building for PA management is addressed in Outputs 1 to 3. However, no detail is provided on the evolution of staffing levels, or of levels of expertise in different fields. The proposal could have provided more detail in this regard. As the management plans and information/monitoring activities are developed, great attention will have to be paid to ensuring that the necessary staff are employed and trained. As much as possible, PA staff should be drawn from local communities, recognising that Traditional Ecological Knowledge (TEK) is often at least as important – and always complementary – to ‘rigorous’ scientific data. This is recognised in §66.

Innovativeness of the project

See comments under ‘Replicability of the project’.

Martin F. Price
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5 January 2001

ANNEX IX

RESPONSE TO STAP REVIEW

Response to Dr. Martin F. Price' s comments as STAP Reviewer on the UNDP-GEF project brief.

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

Project administration

The crucial role of the Project Steering Committee (PSC) in defining roles and responsibilities, among its other essential functions, is recognized. The membership of the PSC will thus represent the entire spectrum of project stakeholders, either through direct membership or observer status. Such a transparent, inclusive and participatory approach worked remarkably well during the PDF B process and will be carried over to the full project. The number of representatives of agencies and organizations on the PSC will be determined on the basis of equitable representation of mandated responsibilities and interests. It is envisaged that each agency and organization will be represented on the PSC by one individual.

Regarding the representation of the indigenous population, the indigenous peoples' associations have already identified a single representative. This individual has already acted effectively in this capacity during the PDF B process.

Concerning the representation of the research community and NGOs on the PSC, the formal steps of decision-making will be formulated in the first month of the project to ensure that all research and NGO interests are effectively represented while maintaining the PSC as an effective body.

It is agreed that during the first stage of the project (years 1-2), the PSC should meet more often than twice a year. The project brief has been changed (par. 84) to reflect this.

The Technical Advisory Committee (TAC) will consist of specialists in disciplines relevant to the project. The specific number of required specialists would be determined by the PSC and Project Manager during the first meeting of the PSC in the first month of the project. It is envisaged that there will be a core of approximately six experts on the TAC to be

temporarily supplemented by additional technical expertise as required. In selecting members of the TAC, the emphasis will be on local and regional expertise. These will be unpaid positions.

Concerning the relationship among the four working teams and the project's six outputs, the Project Manager will direct the work of the working teams to ensure timely and coordinated progress towards achievement of the project's outputs. A leader, who will be responsible for the activities undertaken by each of the teams, will head up each working team. Working Team I (Protected Areas Management) will consist of Federal Reserves and Oblast Nature Parks sub-groups in recognition of the differences in jurisdictional responsibilities. This working team will be responsible for Outputs 1, 2 and 4. Working Team II will be responsible for Output 6. Working Team III will undertake activities under Output 5. Working Team IV will be responsible for Output 3.

Scientific information

The PDF B preparatory work has clearly indicated that information on biodiversity and economic activities is deficient for planning and management applications. Thus, the project will upgrade the information base and its utility for management. It is an objective of the project to ensure that one result will be the attainment of a comparable level of information for key resources among all four protected areas. The design of a standardized database for the four protected areas will take into account similar database formats developed in the context of other comparable projects, as well as the needs of the World Heritage review process. Consistency among the Man & Biosphere BRIM format and the KSBP database will be promoted as well.

Threats

Any potential threats to Bystrinsky Nature Park associated with the Aginskoye gold deposit were considered and discussed extensively with many stakeholders during project preparation. In the end, consensus was reached that the deposit does not pose a threat to the park. Nevertheless, this issue is to receive further attention during the management planning exercise to be undertaken during the project's first stage. Likewise, the development and implementation of the park's monitoring programme will take this issue into account.

Administrative, legal, regulatory and policy aspects

The need to recruit additional PA staff locally is recognized and emphasized in the project in the context of promoting community based conservation. Required staffing levels will vary for the four protected areas according to specific requirements and existing capacities, and will be determined during the project's first year. It is essential for each of the PAs to have a core of permanent staff in the base competencies. These include administration, resource management and protection, research, environmental education and visitor programmes, visitor safety, and general maintenance. The core staff will be complemented by seasonal workers and community based personnel. Overall, it is envisaged that approximately from six to ten additional core staff members will be required for each of the PAs. The demonstrated commitment to absorb the salary costs of the additional personnel will ensure the sustainability of increased staffing.

GEF context

Eligibility under OP 3 changed to OP 4.

Regional context

The possible extension of the WHS, and the potential adjustment of the KSBR boundaries to include effective buffer and transition zones as befits a Biosphere Reserve are issues that will require further consultation and discussion at other political and technical levels. The project, nevertheless, will prepare a Management Plan for the Kronotsky State Biosphere Reserve and will assist in the development of a mechanism involving multiple stakeholders for its implementation. The development of the KSBR as a “site of excellence” will be developed further in the full project. UNESCO is already a project partner. Both UNESCO and UNDP are working on this and will work with the Government of the Russian Federation in realizing the required adjustments for the KSBR to attain “site of excellence” status.

Replicability of the project

The need for direct involvement and essential contributions of all stakeholders to achieve project success is well recognized and thus all stakeholders will continue to participate in project implementation. This is one key lesson for transfer of good role models for success in the full project and for other comparable projects. In fact, the replicability of the project’s successes and lessons will be one of the key tasks for the GEF team to transfer within the Russian system of management of Protected Areas and to act as a model for the other GEF project being developed by the UNDP and World Bank.

Changes in perceptions and attitudes have been included as indicators under Output 5.

Secondary issues

Linkages to other focal areas

Since three of the four project sites have a coastal component, the project’s linkages with international waters activities are to be pursued where feasible. The project’s natural links to the North Pacific fisheries project currently under development, and specifically to the “Conservation and Sustainable Use of Wild Salmonid Diversity in Kamchatka Project” now nearing completion of its development, will also be maximized. The links will be made operational at the individual PA level.

Linkages to other programmes and action plans at regional or sub-regional levels

Numerous other complementary initiatives are being currently developed by other organizations. This project indeed provides a “coherent unifying framework” for their integration and systematic delivery. The representation of these organizations on the PSC and Technical Advisory Committee will certainly be considered and will remain an option. Much of the past support given to Kamchatkan NGOs by other international organizations has been targeted at raising environmental awareness. Activities under Output 5 will present opportunities for their future involvement in project implementation.

Other beneficial or damaging environmental effects

The project emphasis on strengthening management capability is a direct response to the recognized need to effectively monitor, and control and eliminate any undesirable environmental effects associated with tourism and recreation.

Capacity-building aspects

The staffing up of the PAs will occur incrementally as specific requirements are clearly defined. Training of existing and new personnel will be an integral part of the staff upgrading process. The emphasis will be on local staffing, partly in recognition of the important contributions of TEK to management, but also to strengthen the long-term linkages between local communities and the PAs.

ANNEX X PROJECT STAGING AND ASSOCIATED FUNDING

The project is to be implemented over a 7 year timeline that is divided into three implementation stages of 2, 3 and 2 years duration. First, since some activities are essential precursors to other that follow, staging will provide for the proper sequencing of all inter-related activities. Secondly, it is being staged to ensure measurable progress and thus also enhanced adaptability in the realization of its objectives. The first stage (years 1-2; *stabilization and mobilization*) will be devoted to implementing the most urgently required activities. The primary focus in this stage will be on capacity building and the mobilization and implementation of alternative funding mechanisms, including the KPACF. This will be supplemented by the undertaking of key management strengthening initiatives. The second stage (years 3-5; *continued capacity development*) will be comprised of the various management capacity development activities, as well as the start up of activities on the basis of results obtained from assessments undertaken in the first stage. The full cumulative impact of all project activities will be realized in the third stage (years 6-7; *synthesis*) through the synergistic results of all inter-related activities. The log frame (Annex III) summarizes the individual activities to be undertaken in each stage, their sequencing, and the indicators to be used for monitoring and evaluating the project's progress and overall performance.

Milestones have been defined for each stage (Annex III) and these will have to be met before proceeding to the next stage. An independent evaluation of project progress using the specified indicators will be undertaken near the end of each stage. This will be followed by a submission to the GEF Council for further funding with a revised plan with a revised budget being prepared to conform to the progress on indicators and overall adaptive management strategy. Staging of the project will also result in increased quality assurance and control and overall accountability, thereby greatly increasing the probability of the project fully realizing its objectives in a timely and efficient manner.

Indicative Funding for Stages 2 and 3 of the Project

GEF:	Stage 2	US\$
	1,300,000	
	Stage 3	US\$
	850,000	

	<u>Sub-total</u>	US\$ 2,150,000
Co-financing:	Stage 2	
	GOR	US\$ 338,570
	KOA	US\$ 274,290
	NGOs	US\$ 640,000
	Bilateral Donors	US\$ 2,400,000
	Stage 3	
	GOR	US\$ 225,710
	KOA	US\$ 182,860
	NGOs	US\$ 330,000
	Bilateral Donors	US\$ 1,310,000
	<u>Sub-total</u>	US\$ 5,701,430
Grand Total Project Cost :		US\$ 13,175,700
(Project preparation PDF B+ Stage 1 + Stage 2 + Stage 3)		

