



PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: Medium-sized Project
TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	Supporting sustainable land management in steppe and semi-arid zones through integrated territorial planning and agro-environmental incentives		
Country:	Kazakhstan	GEF Project ID:	
GEF Agency:	UNDP	GEF Agency Project ID:	5358
Other Executing Partner(s):	Ministry of Environmental Protection	Submission Date:	6 February 2014
GEF Focal Area (s):	Land Degradation	Project Duration:	60 months
Name of parent program: For SFM/REDD+ <input type="checkbox"/>	CACILM	Agency Fee:	180,500

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
LD-3	GEFTF	1,900,000	8,050,000
Total Project Cost		1,900,000	8,050,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Transform land use practices in steppe and semi-arid zone of Kazakhstan to ensure ecological integrity, food security and sustainable livelihoods.					
Project Component	Grant type	Expected Outcomes	Expected Outputs	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
<i>Component I.</i> Investment in integrated territorial planning and start-up of agro-environmental incentives	INV	<p>Improved land management preventing ecosystem degradation over 0.75 mln ha of productive landscapes (pasturelands, crop & fodder production lands) in steppe and semi-arid zones of Kazakhstan evidenced by:</p> <ul style="list-style-type: none"> - Improved vegetation cover, increase of water provision and decreased soil erosion at whole of 0.1 mln ha; - Increase in fodder and cereal crop productivity by 35%¹; - Secured livelihoods and food base for 30,000 people² 	<p>1.1 Integrated Land Use Plans (ILUPs) in 5 districts³: Land-use matrixes in districts optimized to preserve ecological functions of productive landscapes so that maximum productivity can be ensured in the long run. (<i>refer to main text for further details</i>).</p> <p>Enabled by:</p> <p>1.1.a Up-to-date inventory and classification of all lands in the districts.</p> <p>1.1.b District-level inter-sectoral committees on integrated land management set up to oversee and ensure stakeholder engagement in ILUPs process.</p> <p>1.1.c A monitoring and enforcement system for land use plans with clear roles and responsibilities of involved organizations</p> <p>1.1.d Capacities of target groups (akimats, regional government structures, agricultural land users) built on integrated land use planning</p> <p>1.2 Improved management of 100,000 ha of productive steppe and semi-arid lands: appropriate land cultivation technologies selected (e.g. zero tillage or conventional depending on the type of crop and climatic zone) up-scaled and relevant infrastructure established in line with ILUPs (<i>refer to main text for further details</i>).</p> <p>Enabled by:</p>	1,461,137	6,950,000

¹ Baseline productivity figures are given in the Benefits matrix further in the text, t.b.c. at PPG.

² Other benefits are listed in the Incremental Cost table further in the text. Figures are provisional, pending confirmation at PPG.

³ In Akmola, Northern Kazakhstan, Kostanai, Kyzyl Orda, and Almaty oblast. Please see map in the text. To be confirmed at PPG.

			<p>1.2.a Agro-environmental incentive scheme; a financial SLM-upscale mechanism set up in partnership and with co-funding from GEF, national budget, and regional authorities on the basis of existing agricultural subsidy schemes⁴ (refer to main text for details);</p> <p>1.2.b Training of land-users in accessing agro-environmental incentives.</p> <p>1.2.c Strengthened extension services— Agricultural ‘Know-How’ Centers managed by the Ministry of Agriculture, namely KazAgroInnovation, regional Veterinary and Zoo-technical centers, local branches of the Union of Farmer’s Associations, and district cereal growing research institutions; enabling local communities to better raise livestock, improve farming, and access productivity-enhancing technologies. Improved data management in these institutions to enable peer-to-peer learning, replication of project results.</p>		
Component II. Enabling policy environment for integrated land use planning and agro-environmental incentives	TA	<ul style="list-style-type: none"> - Expected long-term replication effect: SLM practices up-scaled reducing land degradation at over 187 mln ha in Kazakhstan in the long run (25 years) resulting from the improved regulatory, legal and institutional bases created by the project. - Two state programs reorient funding from traditional to ‘green’ agriculture (for clarification pls. see main text). - A 20% increase in national financing of SLM practices, 10 years after the set-up of the agro-environmental scheme. 	<p>2.1 National Inter-ministerial Task Force chaired by the Committee for Land Management of the Ministry of Regional Development set up with a mandate of institutional coordination and effective implementation of integrated land use planning and development of policies for agro-environmental incentives.</p> <p>2.2 Policies and regulations (new or amended) adopted by National Government to enable on-the-ground implementation of agro-environmental incentives as per Output 1.2.a (ref. to Section A.1.3).</p>	266,136	814,500
Project management cost				172,727	285,500
Total project costs				1,900,000	8,050,000

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Ministry of Environmental Protection of Republic of Kazakhstan	Grant	3,700,000
		In-kind	150,000
GEF Agency	UNDP Kazakhstan	Grant	700,000
Others	Center for Economic Policy Analysis in the Agricultural Sector	Grant	1,700,000
	JSC “Fund for Financial Support of Agriculture”	Grant	1,300,000
		In-kind	100,000
	Farmers Union of Kazakhstan	Grant	400,000
Total Co-financing			8,050,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)

NA

E. PROJECT PREPARATION GRANT (PPG)

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant:

	<u>Amount</u> <u>Requested (\$)</u>	<u>Agency Fee</u> <u>for PPG (\$) ⁵</u>
• (up to)\$100k for projects up to & including \$3 million	100 000	9,500

⁴ Subject to feasibility study at PPG.

⁵ PPG fee percentage follows the percentage of the GEF Project Grant amount requested.

PART II: PROJECT JUSTIFICATION

A. PROJECT OVERVIEW

A.1. PROJECT DESCRIPTION

A.1.1 Global environmental problems, root causes and barriers that need to be addressed

The project focuses on ecosystem management in the southern steppe and northern arid zone of Kazakhstan. It strives to change the paradigm of land-use and improve land conditions in steppe and semi-arid ecosystems by strengthening agricultural financial mechanisms and the current land-use planning system, i.e. the basic financial and administrative drivers of land use, thus addressing the degradation problems in the long term.

Dryland ecosystems cover 99 percent of Kazakhstan, with 222.6 million hectares used in agriculture: 10.8% of this area is covered by field crops, 2.2 percent by hayfields and 85 percent by pastures.⁶ Wind and water erosion affect over 67 % of rain-fed areas, resulting in humus content in topsoil loss (20% in the past 30 years)⁷. Kazakhstan's rangelands are susceptible to droughts, inadequate natural regeneration, widespread aerial transportation of sand and salt (affecting some 30 million ha) and formation of salinized or "solonchak" lands (more than 93 million ha).⁸ Today, over 62% of winter pastures and 71% of summer pastures are eroded and the quality of pastures has declined by 4-5 times compared to the 1980s levels⁹. Between 1951 and 2011, the stocking rate of livestock increased 5 times over the carrying capacity of pastures. Just in the past decade, sheep grazing in Kazakhstan has nearly tripled. The pressure on pastures is intensified by the declining practice of moving livestock between summer and winter pastures, and increased livestock density, especially in areas around settlements, i.e. communal winter pastures¹⁰. Despite their low productivity, vast horizontal pasturelands are being used increasingly for sheep grazing, leading to soil erosion and mudslides. The combined impact generates erosion, depleted soil carbon stocks, increased frequency of mudslides with significant economic and social costs downstream in the form of flooded villages and damaged infrastructure.

This project addresses these problems in critical productive landscapes of the steppe, arid and semi-arid zones covering Akmola, Kostanai, Northern Kazakhstan Oblasts (northern steppe zone: forest steppe, meadow steppe and dry steppe ecosystems), and Almaty and Kzyl Orda Oblasts (southern arid zone: desert and steppe semi-desert ecosystems). The southern arid regions of Kazakhstan are particularly prone to desertification with about 75% of arable and pasture lands ranked with a desertification index of high to very high. The northern steppe zone lands are highly susceptible to wind and water erosion due to loss of humus and vegetation cover resulting from the massive conversion of steppe to grain farming and ongoing unsustainable farming and pastoral practices in these already marginal lands.

Root-causes

1: Inadequate territorial planning

Land management has been decentralized in Kazakhstan, i.e. local authorities and local communities are in charge of land-use planning. Yet, institutional and individual capacities at the district level have not kept up with the pace of decentralization. There have been limited interactions among land-users during planning and implementation of land-use plans at district level. No precedents have yet been set on district-level participatory land use planning. Under the current territorial planning practice, allocation of lands for economic users and the regimes of use do not take into account the ecosystem values and ecosystem carrying capacity. Decisions on land allocation and land use regimes take into account only immediate health risks, while the long term consequences of land erosion, loss of soil productivity, are left outside the territorial planning process due to lack of capacities and knowledge as to how to fully integrate them. No assessment of the current state of soil, vegetation, wildlife is taken into account, and no ecozone mapping is done on that basis. Areas are not classified according to the degree of degradation, nor are there any regimes for land use on ecosystems under various forms of degradation. No regular inventory of agricultural lands has been undertaken recently and the last survey was done in 2000. This certainly undermines the effectiveness of any government land management policies as the analysis and policy measures stem from the originally distorted picture of the current ecological state of lands in the country.

Coordination between local representatives of the Ministry of Environmental Protection, the Ministry of Agriculture, and relevant departments of akimats (municipality or district) remains sub-optimal. Although the Ministry of Environment and Water

⁶ Ministry of Agriculture (2013)

⁷ The Fourth National Report of Kazakhstan on Implementation of the UN Convention on Combatting Desertification (with comments and additions). 2012. Astana, Republic of Kazakhstan

⁸ National Programming Framework of Kazakhstan under CACILM. 2009

⁹ According to the Committee of Land Resources of the Ministry of Regional Development of Kazakhstan

¹⁰ UNDP (2005)

Resources is responsible for conservation and sustainable use of natural resources, it has no role in permitting or leasing grazing or agricultural lands, which is the purview of the Ministry of Agriculture (MoA). The latter considers conservation their lowest priority and performs no monitoring and control over the ecological state of lands. Financing programs that aim to simplify the access of eligible farmers to government subsidies are being approved without consultations with target groups failing to offer correct incentives.

Enforcement capacities of local land-use and environmental inspectors remain inadequate. Land conversion often takes place illegally. Without proper monitoring and enforcement, the offenders are not penalized, regulatory processes are undermined, and land continues to degrade. Monitoring and enforcement of the integrated territorial plans will require closer dialogue between staff from various Government institutions involved in land use planning, providing permits and environmental inspections.

2: Perverse financial incentives in agriculture

Despite generous agricultural subsidies, the government baseline programs (as described further in the text) mainly target “conventional” agricultural practices that focus on increased short-term output without taking into account the ecosystem’s carrying capacity. The subsidized agricultural activities in most cases fail to contribute to improved ecological status of lands, and largely support monoculture production and expansion of livestock numbers. The subsidies extend almost no support to pasture or hayfield management, or other sustainable land-use practices, failing to motivate farmers to improve land quality.¹¹ Presently, agricultural subsidies mostly target large-scale farms either directly or specifying conditions that only large farm-holders can meet. Yet, large-scale farms account for only 18% of the total number of agricultural producers while small and medium sized farm-holders represent 82%. Therefore, the subsidies fail to properly reach over 82% of livestock owners.¹² Community-based family farms that usually have a small number of cattle, in many cases less than 100 heads, are not eligible for subsidies. Even medium size farms are at a disadvantage: a farm with between 100 and 300 cattle (mainly sheep and goats) receives USD 0.06 per 1 kg of milk, and those with over 600 heads of cattle receive a subsidy of USD 0.16. This farmer support scheme sends rather perverse signals, motivating farmers to simply increase the number of cattle per farm to be eligible for subsidies. In the crop sector, the government support scheme is extremely biased toward wheat production since the scheme applies no ecological or any kind of sustainable criteria. This, it turn, leads to the proliferation of large-scale monoculture crop production. The result of the current financial support system in agriculture is continued land degradation.

3: Lack of know-how at extension services

Kazakhstan has declared a transformation to a “green economy”, but in the area of green agricultural subsidies, the country has neither the know-how nor professionals with relevant biological and financial knowledge and skills for the design and application of agro-environmental incentives. A strong lobby of large-scale agricultural producers contributes to an unwillingness to review the potentials of any “green” financing mechanism, as they fear the possibility of the funding being diverted to small and medium-size farming enterprises. The existing extension services do not have that knowledge either, and as a result local communities are unable to account for methods aiming to raise productivity without disrupting the ecological integrity or to account for the ecological importance of pastures and forests in underground water recharge, erosion control and flood mitigation. Local agricultural crop producers and community-based organizations such as joint pasture users associations or joint forest users do exist but are not conversant in sustainable resource management. Livestock grazers receive limited extension support or training in sustainable grazing practices.

4. Inadequate policy and legal framework to support a transformation to SLM

As experience of developed countries in the areas of environmental enforcement has demonstrated (e.g. wetland banking in the US, agro-environmental schemes in the European Union (EU)), unless the requirement to account for natural resource values and functions in territorial planning and financial flows is fixed in policies and regulations and land users are made to comply, there will unlikely be a transformation change from baseline to integrated land use. Practical transformation to environmentally-friendly subsidies would require a number of changes in the current land use policy and legal framework. Currently, there is a disparity between public expenditures and environmental priorities.¹³ The 2003 Land Code was a big step towards sustainable land use and management. Yet rangelands, which constitute close to 70% of the country’s territory, are largely ignored by the provisions of the

¹¹ UNDP Country Office (2012)

¹² World Bank. 2005b

¹³ World Bank. 2011. Kazakhstan Country Environmental Analysis. Kazakhstan development strategy 2050 wrote “*There also seems to be disparity between public expenditure and the environment priorities as defined by the Cost of Environmental Degradation. This will undermine the importance of the agro environmental priorities in ensuring that the environment is mainstreamed in the productive sector of the economy. ... The challenge for reaching financial sustainability is not to increase government investments but to meet certain socioeconomic criteria by, first, prioritizing the investments and reallocating the O&M costs, and second, by devising a financial management system and implementing it on the basis of clear priorities and well-defined outcomes through the mobilization of local resources*”

Code. The Code fails (i) to identify a specific government entity that oversees and monitors the resource use, (ii) to determine rangeland tenure models to be used, (iii) to assign rangeland ownership or user rights, and (iv) the extent of those rights.¹⁴ Also, some governing rules for rangelands date back to the Soviet era¹⁵ providing little or no incentives to local land users. Moreover, the existing grazing permit system requires the renewal of permits each year, although technically the herder is granted the permission for 10-20 years. This means that the herder has no secured property rights, creating perverse incentives among the herders to maximize short-term benefits, which leads to overgrazing. Grazing quotas are established in compliance with specific decisions of the Government of Kazakhstan, but there is no mechanism to punish local officials if they fail to comply with the regulations. While on paper the number of grazing permits does not exceed the legal limit, in practice the number of animals grazing on the land far exceeds the permitted number. Finally, the Law on Land in Kazakhstan envisages soil and climatic zoning at the rayon, oblast, and national levels that designates land use regimes for each area. Yet, implementation of this requirement lacks systematic monitoring by enforcement institutions which leads to unsustainable use of land and other natural resources and their subsequent degradation.

Barriers 1 to 3 are addressed by Project Component I; Barrier 4 by Component II.

A.1.2 Baseline scenario and associated baseline projects

A number of baseline programs are addressing the threats and barriers described above, and hence serve as a foundation and partly as co-financing. However, without GEF, under the business-as-usual scenario, these will not be sufficient to enable a shift towards integrated territorial planning and agro-environmental incentive payments for more sustainable management of land. These baseline initiatives are briefly described below, alongside the business-as-usual scenarios that these entail.

Land Use Planning and Regulation: In the next 7 years, the Government of Kazakhstan will be allocating about US\$0.6 mln for updating the inventory of lands in the targeted areas. District territorial planning will be undertaken by district authorities and funding for this is secured through regional budgets. At least US\$ 0.5 mln will be spent on this over the next five years. The deficiencies of the baseline territorial planning practices have been discussed in Barrier 1. As a result, under a scenario without a GEF project, the territorial plans (as they will be developed) will be driven by short-term economic goals and give little consideration for the ecological integrity of natural resources. There will be no policies and regulations to support a transfer to integrated sustainable land and forest management, discussed in Barrier 2. The capacities of land-use and environment inspectors to enforce a more sustainable use of land and forest resources will remain weak. Without this, land use practices in southern arid and northern steppe ecosystems will continue to render threats to ecosystems as described above.

Baseline financial incentives or subsidies: A number of programmes provide subsidies to farmers, as mentioned in the Barriers section. The most important are as follows:

State program "Agro-business 2020 (2013–2020, by Ministry of Agriculture, Oblast Akimats, Akimats of Almaty and Astana cities, about US \$ 2,877 million annually). The program provides mainstream subsidies for key crops and supports large-scale farmers. While it is a main source of subsidies in agriculture, because of its focus on large-scale producers it has negative consequences for land, as discussed above.

Rational use of land resources (2013–2020; Ministry of Agriculture, about US\$ 309 million annually). The program largely focuses on the increased use of mineral (chemical) fertilizers, and provision of specialized machinery to incentivize farmers. One particular item in the master plan, however, mentions the need to introduce changes to current rules on the rational use of croplands, pastures and hayfields, but does not provide any further details.

State Program on Prevention of Desertification and Efficient Use of Summer-Winter Pastures (2004–2014; Ministry of Agriculture; 2012 budget: US\$ 387 million). The program supports production-oriented agriculture (e.g. seed production (\$14.7 million), livestock breeding programs (\$28.0 million), and improving quality of livestock (\$87.4 million)) without considering the carrying capacity of ecosystems.

National Program for Restoration and Expansion of Pastures (2009–present, Ministry of Agriculture). This is a relatively small-scale program aiming to restore 32,000 hectares of the most degraded pasture lands and convert them to hayfields. Lessons learned and experience emerging from this program can be used when designing the agro-environmental measures to support pasture management in the project target sites.

¹⁴ Kazakhstan Rangelands in Transition: The Resource, the Users, the Sustainable Use. World Bank Technical Paper.

¹⁵ For instance, in the FSU, there were transfers of animal feed between the republics. Thus, the problem of extreme fodder deficit in winter did not occur, whereas now this deficit leads to overgrazing of winter pasture. In addition, extensive livestock Kolhoz/Sovhoz provided a support system for shepherds when in remote mountains or deserts (i.e. emergency services in case of injury, provision of good equipment, transport, rest periods, etc). None of these support systems exist anymore. As a result there tends to be over-grazing in accessible pastures and under-grazing in more remote areas.

Under the baseline scenario without a GEF project, these programs would continue, but there will be no change in the landscape towards more sustainable land management in relation to the carrying capacity of ecosystems and application of SLM methods and technologies. A picture of the baseline scenario is given in the table in the sub-section A.1.4.

A.1.3 Proposed alternative scenario, with description of expected outcomes and components

The **long-term solution** is to change the trajectory of baseline approaches in order to facilitate a transformative shift from unsustainable to integrated sustainable land management in the steppe, semi-arid and arid zones of Kazakhstan. The project strategy is to address the root-causes and barriers described above through a coherent combination of corresponding incremental outputs organized into two components: (i) increased investment in territorial planning and start of an agro-environmental incentive scheme, and (ii) institution of an enabling policy and legal framework for integrated land use planning. By implementing these two components, the land management and use practices employed by economic sectors will be influenced and measures to avoid or minimize land degradation in natural and productive landscapes of the steppe and arid zones of Kazakhstan will be supported. This would result in global benefits, both in the short and long term, as further described in the Benefits table.

Component 1: Under this component, the project will demonstrate the overall approach, techniques and schemes for increasing the effectiveness of land planning and management in the steppe and arid zones of Kazakhstan by enhancing the sustainability of productive landscape areas by: (i) Improving territorial landscape-level planning to maintain ecosystem services and mitigate land degradation while strengthening implementation and enforcement mechanisms; (ii) Demonstrating SLM practices in rangelands and crop cultivation in line with ILUPs, enabled by targeted agro-environmental incentives; and (iii) Strengthening extension services on good farming/livestock raising practices, and combining land and livestock productivity-enhancing technologies. Implementing SLM practices will reduce threats to land degradation and maintain landscape-scale ecological processes. The expected total landscape area to be brought under sustainable productive use is approximately 0.75 million hectares through territorial planning. Demonstration of sustainable land use and management will occur over an area of 100,000 ha¹⁶ in five oblasts—Akmola, Kostanai, Northern Kazakhstan, Kyzyl Orda and Almaty Oblasts. These oblasts are representative of target steppe and desert ecosystems (forest steppe, meadow steppe, dry steppe, desert and steppe semi-desert ecosystems) combined with target agricultural production sectors (rangeland and crop cultivation). These five oblasts represent a typical socio-economic and land use context in the country. Additionally, UNDP, GIZ, WB and USAID have ongoing relevant initiatives or past experience in these five oblasts. Therefore, there exists a pool of on-the-ground knowledge, capacity and/or working relationships with local authorities and stakeholders that will facilitate project implementation. Confirmation of the project area will be finalized during the PPG stage. To enable the emergence of a matrix of sustainable land uses, the GEF will provide incremental support for the development and implementation of tools for landscape-level sustainable planning and financing in target regions.

The project will build on the ongoing trend in Kazakhstan of gradual transfer of planning and development of local policies and plans from central Government to regional/local authorities. The project will work with the oblast and rayon level offices of the Ministry of Agriculture, Land Management Agency, Ministry of Environment and Water Resources, as well as with local authorities of five rayons in the target Oblasts of the northern and southern zones of Kazakhstan to devise planning frameworks that focus on the economic potentials (rather than the constraints) of safeguarding and maintaining ecosystem services for sustainable land management practices. A full inventory of land will precede this exercise. The inventory will identify—in each rayon—the priority areas and pastures with healthy plant communities, areas under moderate pressure, areas vulnerable to permanent degradation and areas extensively used for grazing or suffering high rates of erosion. These layers will be overlaid onto the economic use layers, allowing for the determining of economic activities and scale for each land unit in order to retain ecosystem integrity and ensure maximum productivity of lands in the long term. The five districts represent diverse land use, socio-economic and geo-climatic characteristics. Therefore, the project will be able to develop and demonstrate a matrix of SLM/SFM solutions for further replication. District-level cross-sectoral committees consisting of land management, agricultural and environmental departments of local authorities (akimats), relevant government organizations and institutions and communities will be set up as a platform for stakeholder consultations for development of landscape level territorial plans. The plans will be approved by district akimats. The experience will be shared and replicated beyond project boundaries through a series of publications and workshops.

A monitoring and enforcement system for the territorial plans will be put in place, providing land inspectors with the requirements for monitoring and supervision of the implementation of territorial plans, sequential steps for their implementation, and the definition of “compulsory” actions that need to be implemented by land users. The roles and responsibilities of the government institutions involved in territorial planning, monitoring and enforcement will be clearly defined based on their functional roles. The system will have sanctions in place to enforce non-compliance, based on the standing Administrative Code, and specifically the section on environmental and land use non-compliance. As a counterbalance to the sanctions, the project will develop

¹⁶ Subject to a feasibility study at the PPG

environmental agro-incentives (Output 2 of Component 1) to mitigate potential opposition from agricultural land-users towards SLM principles. The project will hold a series of capacity building workshops to train target groups at national, regional and district (rayon) levels on comprehensive land use planning, effective coordination of relevant stakeholders and monitoring and enforcement of ILUPs. The target groups will include relevant departments of akimats (land management and agriculture), regional inspections of the Land Management Committee of the Ministry of Regional Development and of the Ministry of Agriculture, River Basin Organizations of the Water Resources Committee the Ministry of Environment and Water Resources, and agricultural land users.

Agricultural subsidy schemes in Kazakhstan will be restructured to prioritize ecological criteria when allocating subsidies, while at the same time ensuring fair access across small, medium and large-scale farm holders. A new system of standards, i.e. agro-environmental measures, will be developed following the concept, as proposed in Figure 3. During PIF development, various options for constructing and running the agro-environmental scheme have been considered, including: (1) a single scheme under MoA implemented through the extension services; (2) separate schemes operated by each district; and (3) a scheme with mediation of an NGO rather than an extension service. Each option has pros and cons to be further analyzed at the PPG stage. The project is based on a clear commitment of the Government to establish and run the scheme and sustain it after the project. The Government of Kazakhstan has agreed to work with UNDP and GEF on implementing these measures and consider the inclusion of tested measures in long-term national policies in case of successful uptake. The overall feasibility of the proposed mechanism, given the extent of UNDP ongoing cooperation with the Government, is not questionable. Rather, it is a matter of deciding on the most appropriate mechanism. This requires time and resources and is, therefore, deferred to the PPG stage. The agro-environmental scheme will be set up in partnership and with co-funding from MoA and oblast/rayon akimats following the existing subsidy schemes, as mentioned in the baseline programs. The project will partner with the operator of the relevant program to introduce new incentives. The institutional arrangements, disbursement and collection system will be defined during the PPG stage. It is expected that the proposed incentive scheme will be co-financed by akimats (out of baseline programs) and from the GEF funds (provisional co-financing ratio is 1:3). Both national government and oblast akimats have shown interest in allocating funds as co-financing for the GEF project. The incremental GEF resources will provide assistance in: (i) initial establishment of the agro-environmental mechanism in target ecosystems and the selection of eligible activities; (ii) assistance in marketing of the scheme to local communities; (iii) assistance to farmers in feasibility assessments and the application process; (iv) guidance on implementation of specific activities; and (v) monitoring of contractual arrangements.

The ILUPs developed under Output 1 will identify SLM activities for further support through the agro-environmental scheme. The project will also support some demonstration activities that directly address SLM threats in the target areas. Following a preliminary assessment, a menu of demonstration activities can include: (i) seasonal rotational grazing to maintain the quality of pastures; (ii) a decrease of livestock stocking rate in moderately degraded pastures; (iii) repair and maintenance of key pasture use infrastructure (wells and barns) and optimized stocking pressure in remote rangelands; (iv) increased stocking rate in formerly undergrazed pastures to optimize functioning of target ecosystems; (v) catchment management activities such as headwater re-vegetation; (vi) crop diversification (e.g. oil crops); and (vii) alternative livelihoods. This menu of proposed agro-environmental measures is provisional, pending a feasibility study at the PPG stage. Under this output, the project will test practices on prevention of land degradation in productive landscape areas as well as innovative agricultural crop cultivation techniques. The demonstration work will be performed based on a ‘learning-by-doing’ format. Controlled grazing and cropping systems will be organized in overgrazed or previously degraded sites. In designing and implementing the agro-environmental measures, the project will draw on the best international experience available from UNDP and the EU countries. For example, as learned from the UNDP GEF agro-environmental project in Bulgaria, the practices to be supported will be developed in such a way that they are linked to specific SLM indicators including the quality of groundwater (wells, pools), soil and vegetation, and the presence of species. The project will set up protocols for monitoring and evaluation of agro-environmental schemes and its impact on sustainability and link this to the rayon land use plans.

During implementation, the project—jointly with the existing agricultural extension services and knowledge sharing centers of the Ministry of Agriculture, namely KazAgroInnovation, regional Veterinary and Zoo-technical centers, local branches of the Union of Farmer’s Associations, and district cereal growing research institutions—will organize field workshops and seminars, exchange tours to share experiences on progress and results of demonstration activities. Trainings will cover topics related to good farming and livestock raising practices, land and livestock productivity-enhancing technologies, agro-environmental financing (how it works and how to access it), and the legal and policy framework pertaining to land use in the country. Results and lessons learned from demonstration projects will be presented at rayon, oblast, republic levels and international conferences, as well as in a range of materials for wider outreach. The project will produce a “how-to” guide for replication purposes. Also, the project, jointly with rayon akimats, will initiate performance reviews to identify weaknesses and needs for staff capacity building related to sustainable land use planning and management and tailor staff training and backstopping activities accordingly. Finally, the project will work with existing information and knowledge dissemination centers, and relevant research institutes to improve data management to enable peer-to-peer learning and replication of project results. This will be completed through the assessment of information gaps

(e.g. on agriculture trends, project regions, available services, market and price information, etc.). The Farmers' Union will support this activity by updating regional agricultural databases.

Component 2. As concluded in the baseline and barriers section, the transition to an SLM-focused land use planning and financing system would require a number of changes in policies and legislation. Given the fact that the revision of policies and legislation will influence funding and budget allocations, it is critical that all levels and branches of Government are involved in the change process. Therefore the project will help to set up a high level Inter-Ministerial Task Force to oversee the development and adoption of the needed regulations. It is expected that the following policies, regulations and rules will be developed under the auspices of the Task Force: (i) agro-environmental measures applicable to Kazakhstan: targeted biotopes; eligible beneficial land uses and associated regimes; subsidy size per ha per year per farmer; subsidy application, allocation and monitoring procedures; and institutional arrangements; (ii) changes to the Budget Law and state Budget adoption procedure to enable annual/biannual allocation of agro-environmental subsidies and legal provisions for allocation of state or oblast funding as co-financing to the GEF project in starting the agro-environmental scheme; (iii) revisions of existing policy frameworks on pasture management to enable joint pasture association's access to government financing; (iv) elimination of negative incentives that would run contrary to the agro-environmental incentives; (v) policies to enforce the application of agro-environmental measures; and (vi) by-laws for the Land Lease Law, state program on agricultural subsidies and other relevant normative regulatory documents on sustainable pasture/livestock and crop cultivation criteria along with guidance on how to identify these criteria and then enforce and monitor their application in practice.

A.1.4 Incremental cost reasoning and global environmental benefits

The project will build upon existing national agricultural financial subsidizing programs as well as the national environmental development approach by facilitating the development of integrated land use planning approaches, with emphasis on decentralization and bottom up planning as opposed to the existing highly centralized top-down system. This will include the wider application of a new financial mechanism in pasture and productive landscape management. Building upon the past experience of GEF funded projects' efforts, the project will create a more conducive policy and legal framework for establishment of agro-environmental incentives for sustainable and better integrated pasture and landscape use planning and management, and build national and local capacity for practical implementation of such planning in the field. Existing best practices and approaches will be replicated at a wider scale within selected representative oblasts.

State of ecosystems under baseline	Summary of GEF scenario	Increment
Land Use Planning and Regulation		
Land use planning does not account for ecosystem values, leading to ecosystem degradation	Integration of SLM principles into district territorial planning through ILUPs, compliance monitoring and enforcement: <ul style="list-style-type: none"> - Pastures and crop land capacity assessed and incorporated as active components in Integrated Land Use Plans - Cross-sectoral mechanism at local level to oversee the ILUP process - Local enforcement capacities strengthened 	Competitive pressures between land uses in steppe and desert landscapes reduced in 750,000 ha of productive lands, with potential for 187 mln ha: <ul style="list-style-type: none"> - Decrease in grazing pressure and improved condition of steppe and arid ecosystems, - Well-functioning ecosystem services (such as forage productivity at steppe pastures), - Improved productivity (see estimates in p.1) - Improved socio-economic returns from improved agro-environmental incentive.
Financing of agricultural land use		
Traditional subsidies in agriculture prioritize productivity and take no heed of ecosystem carrying capacity	<ul style="list-style-type: none"> - Agro-environmental incentive scheme launched - Policy base enacted ensuring eradication of perverse subsidies and promotion of agro-environmental measures - Agro-environmental incentives are widely accessible to local land users - Rayon and oblast akimats undertake systematic and integrated long term resource use planning - SLM best practices are applied across 	<ul style="list-style-type: none"> - Agro-environmental incentives: at least two state programs reorient funding from traditional to 'green' agriculture. - SLM innovative financing increased by 20 percent - Reduced impact of large scale producers on land (i.e. reduced erosion, crop diversification) - Increased incidence of SLM approaches applied by small-scale

	sectors and integrated management approaches are applied across different land use sectors	holders leading to soil and vegetation quality improvements																				
Land condition and productivity																						
<ul style="list-style-type: none"> - Low productivity of fodder crops in the Southern zone. Baseline figures: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Region</th> <th>Oats, t/ha</th> <th>Barley, t/ha</th> <th>Wheat Grass, Alfalfa, Common Sainfoins, t/ha</th> </tr> </thead> <tbody> <tr> <td>Akmola</td> <td>1.5</td> <td>1.5</td> <td rowspan="5" style="text-align: center; vertical-align: middle;">1.5</td> </tr> <tr> <td>North KZ</td> <td>1.8</td> <td>1.5</td> </tr> <tr> <td>Kostanai</td> <td>1.1</td> <td>1.3</td> </tr> <tr> <td>Almaty</td> <td>1.6</td> <td>1.8</td> </tr> <tr> <td>Kzylorda</td> <td>-</td> <td>0.8</td> </tr> </tbody> </table> <ul style="list-style-type: none"> - Low productivity of cereal crops in the Northern zone: 1.4-1.8 tons per ha (wheat). - Soil erosion of barren degraded lands. - Excessive use of productive landscapes by pesticides and fertilizers in irrigation crop management. High pressure on the productive landscapes by the introducing monoculture. - Overgrazing—exceeding carrying capacity by eight times resulting in increased erosion. Absence of advanced practices on pasture logging/watering; - Increase in less palatable species. 	Region	Oats, t/ha	Barley, t/ha	Wheat Grass, Alfalfa, Common Sainfoins, t/ha	Akmola	1.5	1.5	1.5	North KZ	1.8	1.5	Kostanai	1.1	1.3	Almaty	1.6	1.8	Kzylorda	-	0.8	<ul style="list-style-type: none"> - No ploughing in summer pastures - Crop and soil conservation measures, i.e. improvement of soil fertility, water saving, windbreaks, buffer strips to reduce erosion and use of biological fertilizers - Improved pasture management: Decrease grazing rate of moderately degraded pastures by 40%; rotational grazing to maintain soil upper layer; stimulate grasses for vigorous growth and healthy root systems through pasture watering and digging additional water wells; increased investments in repair and maintenance of key pasture infrastructure (wells) allows greater flock mobility; using the grazing process to feed livestock through maintaining soil cover and managing plant species composition to maintain feed quality; hay farming in support of intensive pastures established on appropriate lands to remove loads on natural meadows and fodders during the winter period; regeneration of the natural pasture covers using natural pasture seeds 	<ul style="list-style-type: none"> - Productivity of fodder and cereal crops up by 35% - Improved condition of land and natural resources on at least 100,000 hectares that result in reduced soil erosion, halt/reverse land degradation process and continued provision of ecosystem services. - Improved pastoral livestock breeding system (baseline to be determined at preparation stage) - Decrease in shifting sand and/or other erosion impacts (baseline level to be determined at preparation stage) - Improved vegetation cover - Decrease in pressure in productive landscape areas - Improved pasture regeneration
Region	Oats, t/ha	Barley, t/ha	Wheat Grass, Alfalfa, Common Sainfoins, t/ha																			
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Almaty	1.6	1.8																				
Kzylorda	-	0.8																				

A.1.6 Innovation, sustainability and potential for scaling up

Innovation of the agro-environmental scheme for post Soviet Union Countries: The project aims to redirect current agricultural subsidies to finance environmentally friendly, yet economically profitable, agricultural practices via a system of agro-environmental incentives. This will result in the overall improvement of living standards of the rural population including food availability and security. The potential financial incentives through so called agro-environmental incentives for better pasture and crop field use will bring even greater benefits, both to the overall rural economy and the country. For example, provisional estimates from the realignment of the current agriculture subsidy mechanism imply that the improved financial mechanism is expected to increase income per hectare of pasture lands by about 41%. Thus, with the right incentives in place for sustainable land management, the project will create a favorable environment for increased investments in sustainable rangeland management and crop cultivation. This will indirectly improve the status of endemic species of landscape plant communities and thus generate global environmental benefits beyond the project’s lifetime. Local farmers and communities will be encouraged to share benefits and experience creating a positive environment for add-on investments from landowners and users. Additional financial instruments such as tax and loan windows for investments in sustainable land use will also be assessed and tested.

Gender aspects¹⁷: The project covers the geographic region with estimated population of nearly 200,000 people, where women constitute 43%. Women are expected to benefit from the new financial scheme resulting in increased income of rural households. Project activities will put local women leaders at the core of implementation and will demonstrate the important role of community leadership in the successful uptake of proposed schemes and practices.

Sustainability: One of the criteria for selecting the host operator of the scheme is the assurance that the scheme will be continued without GEF support after project completion. As mentioned above, the Government has fully committed to support the transition to agro-environmental measures, and this is the key premise for project initiation.

Replication and dissemination of the new financial mechanism will be achieved both through immediate and long-term resource mobilization mechanisms. Immediate resource mobilization mechanisms will include the careful documentation of results and development of pragmatic replication materials, which will then be disseminated to key stakeholders through a set of national, regional and local events. It will also be scaled up through mass media (for example, thematic radio programs aimed at rural audiences), and via the internet-based knowledge management platform with interactive forums. Long-term resource mobilization mechanisms will include: a) the documented field experience to be reflected in amended legal, institutional and policy frameworks as well as development of integrated district level land use planning, and b) lessons and experience to feed the long-term technical and vocational training curriculums that will form a key aspect of the project capacity building efforts.

A.2. STAKEHOLDERS. IDENTIFY KEY STAKEHOLDERS (INCLUDING CIVIL SOCIETY ORGANIZATIONS, INDIGENOUS PEOPLE, GENDER GROUPS, AND OTHERS AS RELEVANT) AND DESCRIBE HOW THEY WILL BE ENGAGED IN PROJECT PREPARATION:

STAKEHOLDER	RELEVANT ROLES
Ministry of Environment and Water Resources	Government institution and implementing partner responsible for coordination of the state programs on pasture and productive management. Supports INRM and SFM/SLM policy and regulatory activities, outreach to regional pasture management areas, coordination with other regional and local agencies and replication of project lessons and support ecosystem restoration activities in degraded areas. Will be one of the key stakeholder in components 1; NSC member.
Ministry of Agriculture	Identifies a number and place for the pasture infrastructure, establishes grazing quotas and promotes land use. Equally, approves farming regulations, which strongly influence ecosystem sustainability to ensure the global benefit of the project. Responsible for enforcing agricultural laws/by-laws in all land types and categorized under different forms of agricultural land use systems. Will be one of the key stakeholder in components 1; NSC member.
Ministry of Finance	Responsible for additional resource mobilization and allocation to support agricultural sector. Support in development of INRM principles and development of municipal territorial plans. Internal, external and innovative financial strategies for SLM.
Ministry of Economic Development and Trade	Develops and revises the national financial incentive mechanisms and mainstreaming into national SLM financial strategies.
State Committee for the Land Resources Management	State agency that maintains maps for pastures and land used for other agricultural purposes and conducts land surveys. Engaged in decision making for special land use regulations; consideration of ILUMP formats and INRM principles. General coordination of the issues of land inventory/cadaster.
Oblast and rayon akimats	Key stakeholders for the development of the legal framework for all kinds of regional and local planning documents envisaged under Outputs 2.1 and 2.2. Provision of co-financing from regional programs through to implementation of investment in their respective municipalities. Will ensure coordination with local actors (economic actors, communities).
Animal owners, shepherds, farmers, local communities	Key users and beneficiaries of the mountain pasturelands and forests that include both men and women living in this area. The INRM and ILUMPs will be designed with their direct engagement, as well as the engineering plans for innovative grazing.
NGOs	
<i>Extension service centers.</i> Extension service centers have been active since 2001 in Kazakhstan for promoting sound agricultural land management in the country and is one of the key partners of the project to deliver innovative knowledge and experiences	Support in the design of training modules on SLM policies and assistance in their implementation.
<i>Union of Farmers' Associations of Kazakhstan.</i> The Farmers' Union is working with national partners to raise awareness	Cooperation on community capacity building activities and creating principles for revision of system of agricultural

¹⁷ Gender benefits of the project and women involvement in the context of this project will be elaborated in further details during the PPG stage.

STAKEHOLDER	RELEVANT ROLES
about the challenges involved in pasture and rangeland management and the system of agricultural subsidy.	subsidies to create benefits from agro-environmental incentives and improved pasture management.
<i>NGO Kazakhstan Environmental Conservation Center (KazEcoCenter)</i> . <i>KazEcoCenter</i> is a national non-governmental organization and its objective is directly related to the conservation of environmental resources and projects with a social approach that aim to inform and educate the community about current environmental concerns.	Cooperation in conservation and territorial planning projects, development of ILUMPs, specifically on steppe.
Academic institutions and Universities	
<i>National Kazakhstan Academy of Sciences, National Grant Research Institutes, State Agency for Forestry, Pasture Department, Kazakhstan water institute, Kazakhstan projection institute.</i> Each of these institutions has a mandate for scientific research in their respective area.	Key knowledge-holder and scientific support for the development of SLM principles, and investment projects envisaged in Component 2.

A.3 RISKS

Risk	Level	Mitigation
Central and local governments are unwilling to engage local stakeholders in land use planning and management.	M	The project was initiated with active support, strong commitment and good understanding of the needed changes on part of national and local authorities. The project strategy rests on this initial commitment but has several safeguards in the project design to ensure active engagement of local stakeholders throughout project implementation. Under Component 1, the project will involve the local and national authorities, farm-holders, local communities and other landscape actors throughout the entire process of rayon level land use planning and demonstration of SLM activities. In particular, under Output 1.1, the project envisages the creation of the rayon-level committees to serve as a stakeholder engagement mechanism during design and implementation of ILUPs. Under Output 1.2, the project will develop the capacities of farmers and local authorities to participate in the design of agro-environmental schemes and sustainable land management practices. Finally, the Ministry of Environment and Water Resources as well as the Ministry of Agriculture are fully committed to engage local communities and stakeholders in pasture and crop management.
Changes to the enabling and institutional frameworks may not be meaningful and performed in a timely manner	M	The project has already built a safeguard mechanism in its strategy. Under Output 2.1, the project plans to set up a high-level Inter-ministerial Task Force to oversee the development and introduction of necessary changes to legal and institutional frameworks. The Task Force will be chaired by the Committee for Land Management of the Ministry of Regional Development with a mandate of institutional coordination and effective implementation of integrated land use planning and development of policies for agro-environmental incentives. The functioning of this Task Force will ensure adequate and timely contributions of relevant government organizations to the process.
Influence of climate change (e.g. seasonal droughts) will undermine efforts to arrest land degradation in steppe and semi-desert ecosystems	M	The project will integrate its efforts with the UNDP “Climate Risk Management in Kazakhstan” project, which is part of the ongoing multi-country UNDP project “Central Asian Multi-Country Program on Climate Risk Management (CA-CRM)”. Based on the Cabinet of Ministers’ approval, the project joins a number of relevant stakeholders to reduce climate-related disasters, initiate adaptation to climate change, and integrate climate risk management into the development policies and strategies of Kazakhstan at the national, sub-national and local levels. Moreover, one of the project focus areas includes climate-related disaster management with a particular focus on droughts.

A.4. COORDINATION. OUTLINE THE COORDINATION WITH OTHER RELEVANT GEF FINANCED AND OTHER INITIATIVES:

The project is complementary to a number of programs and initiatives carried out by the Government, UNDP, bilateral and multilateral international organizations and local NGOs. In particular, the GEF project will coordinate the proposed activities with the following complementary programmes and projects:

Over the past few years, UNDP has been supporting the Government of Kazakhstan in developing and implementing several GEF-funded biodiversity and land management projects aimed at strengthening the mountain and wetland protected area systems,

demonstrating in-situ conservation of agro-biodiversity, good practice in livestock management, and landscape approaches to steppe conservation and management that promote both the ecological integrity of ecosystems and rural livelihoods. The completed steppe conservation project has contributed considerable knowledge on landscape approaches to territorial planning and stakeholder engagement. This project will build on the accumulated pool of best practices and learned lessons in implementing Output 1.1. The project will utilize the experiences and practices of the UNDP/GEF and GIZ project on sustainable rangeland management for rural livelihood and environmental integrity including functional zoning of pastures, reconstruction of water points at distant pastures, and participatory approaches to herder engagement. For Output 1.2, the project will cooperate with the new UNDP/GEF project on improving sustainability of Protected Areas in desert ecosystems. In particular, the project will utilize emerging experience on the operationalization of a microcredit facility that will generate biodiversity and land conservation benefits. The two project teams will collaborate closely by attending each other's steering committee meetings, and this collaboration will be facilitated by the UNDP Country Office. The project was designed to complement and benefit from the adaptation and capacity building work of the UNDP-GEF SCCF project in Kazakhstan.

In 2012, a UNDP project developed several mini projects as a follow up to the CACILM multi-country capacity building initiative. In addition, the project developed an institutional framework for implementation of new financial mechanism for SLM, a draft medium-term strategy for resource mobilization, and the legal and technical framework for adequate resource use and governance. The generated products will be extensively used in designing this project during the PPG phase.

The project will coordinate its efforts with the WB/MEWR project in (i) revising the legal framework for promoting more sustainable pasture use and protection of biodiversity and (ii) development of one rayon-level territorial plan (Output 1.1 and 1.2). Following UNDP procedures, WB and other UNDP projects will be members of the Project Steering Committee that will meet regularly to review the project plan and progress and coordinate inputs.

The project will build on the experiences and lessons from the World Bank/GEF project "Biodiversity Conservation in Western Tian-Shan", "Drylands Management Project" and "Forest Protection & Rehabilitation" vis-à-vis participatory land and rangelands management (e.g. herder agreements on restoration and development of degraded rangelands, community management of grazing pressure, and provision of water resources for associated rangelands). In particular, the project employs a number of generated positive results that demonstrated the environmental, social and economic viability of shifting from the current unsustainable agricultural production of monocultures and livestock raising in dryland ecosystems to a well-balanced and beneficial agricultural system for rural communities.

UNDP and GIZ have had a long and productive partnership in the context of the CACILM programme and, with the departure of ADB from the initiative, are the main international contributors to its implementation. Cooperation has ranged from co-management of projects (such as the CACILM Multi Country Capacity Building project) to technical exchange and collaboration (UNDP SLM projects in Kazakhstan, Kyrgyzstan and Kazakhstan with relevant GIZ projects/initiatives such as their pasture management pilot projects in Kyrgyzstan and Kazakhstan, Pamir Natural Resources project in Tajikistan, etc.). In the context of this specific project, GIZ's experience on pasture management will be utilized in development of the project. GIZ will also be on the Steering Committee of this project and play an important role in the project implementation.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NCSAs, NIPS, PRSPs, NPFE, BIENNIAL UPDATE REPORTS, ETC.:

The project is in line with the UNCCD 10-year Strategic Plan namely: 1) To develop and promote a national financing strategy on SLM; and 2) To improve the condition of affected agro ecological landscapes. The project advances the objectives of the 2003 National Action Program to Combat Desertification and 2006 National Programming Framework on Land Desertification and Degradation. The NAP emphasizes the need to create effective mechanisms across levels to oversee land-use planning, zoning and cropping patterns, in an integrated way. It also emphasizes the need for improving the financial mechanism/incentives to ensure the sustainability of the pasture land. Through the two components, this project directly addresses the above priorities as outlined in the country's NAP. The project is further aligned with the State Program on Poverty Reduction and Sustainable Development (2008–2015), which calls for measures to diversify of agricultural subsidy mechanisms in order to better address the issues of the land degradation as a socio-economic and environmental problem that "is affecting the ability of rural population to use land to generate income" and places a high priority on sustainable land management.

The project will be implemented under the framework of Central Asian Countries Initiatives on Land Management (or CACILM). The proposed project is included as one of the key activities in the National Program Framework to Combat Land Desertification as part of the mobilization of the internal resources as approved by the Government of Kazakhstan under a close cooperation with the GEF Council in April 2006. The current proposal provides further details on the scope and objectives of the proposed project,

and its alignment with Results Based Management (RBM) Framework for the GEF, in particular with the long-term objectives and strategic programs for the Land Degradation Focal Area. It incorporates valuable feedback that was received during the Land Degradation Partnership Forum within the CACILM framework held in Tashkent, Uzbekistan, in June 2003. The forum participants (donors and representatives of the countries) have adopted the agreement to: (i) provide a national incentive-based platform for financial incentives to take advantage of the GEF financing programs to combat land degradation; (ii) integrate basic issues of environmental financial incentives both in the field of sustainable development planning, and into development frameworks of external cooperation of the countries' partners; (iii) promote inter-sectoral coordination for harmonized operation of SLM initiatives; and (iv) establish the UNCCD National Working Group on partnership development for implementation of the UNCCD in each country of the Central Asia. During the forum, attended by more than 200 professionals worldwide, national, provincial and local delegates presented their achievements and experiences in diversification of resource mobilization on land degradation.

B.2. GEF FOCAL AREA AND/OR FUND(S) STRATEGIES, ELIGIBILITY CRITERIA AND PRIORITIES

The project stems directly from Kazakhstan's priorities under the CACILM regional platform. The project addresses LD-3 'Reducing pressures on natural resources from competing land uses in the wider landscape', by promoting integrated territorial planning at the district level, and engineering a shift from unsustainable land practices to sustainable land management. The project introduces the concept of Integrated Land Use Planning and implements investments to demonstrate its viability in five districts, with potential for scale up equally 187 million ha of steppe zone in Northern Kazakhstan, which is the area with highest sensitivity to land degradation threats under pending climate change. These activities are in conformity with Outputs 3.1 and 3.2 of the GEF LD-3. For the first time in Kazakhstan and post-Soviet region, the project introduces agro-environmental incentive payment concept as an innovative funding mechanism supporting SLM measures. Furthermore, Output 1.2 of the project involves investment in pasture and crop land ecosystems resulting in restoration of vegetation cover and reducing degradation at 750,000 ha of important agro-ecosystems, and this is in line with LD-1 Outcome 1.3 of the GEF 'Functionality and cover of agro-ecosystems maintained'. Through these LD-focused activities, the project helps to prevent soil erosion, loss of productivity and other ecosystem services in the steppe zone in Kazakhstan, contributing to carbon sequestration and avoidance of emissions. Detailed LD benefits expected from the project have been described above and will be further elaborated at the PPG stage.

B.3 THE GEF AGENCY'S COMPARATIVE ADVANTAGE FOR IMPLEMENTING THIS PROJECT:

UNDP's strategy in environment and energy is to support transition to climate resilient ecosystems, and the financial sustainability of communities and ecosystems. In Europe and CIS, UNDP is implementing over 43 GEF projects in biodiversity and SLM in the region through its network of 22 Country Offices. To date, 40% of the total number of projects implemented within UNDP have been completed with Highly Satisfactory ratings and the remainder with Satisfactory ratings. In Kazakhstan, involvement to date in environmental governance and sustainable development has focused on improving the capacity of authorities to plan and implement integrated approaches to environmental and energy development. In this context, UNDP has provided support to the Kazakh government to integrate global environmental concerns and commitments into national and regional planning. Land and biodiversity management represent one of the three sub-areas of environmental assistance that UNDP is providing to Kazakhstan within the UNDAF, including Outcome 2.8 "National environmental protection and natural resource management are sustainably managed." UNDP already assists Kazakhstan in promoting, designing and implementing activities consistent with both the GEF mandate and national sustainable development plans. UNDP has an acknowledged comparative advantage for capacity building and technical assistance in the field of climate change and land degradation, and has worked with the proposed executing agency, the MEP, on land degradation and climate change before, including the LD project referenced under the national level activities on national programming framework exercises as well as CACILM multi-country Capacity Building Project. The project fully complies with the comparative advantages matrix approved by the GEF Council. UNDP is currently supporting the government to implement 8 GEF financed projects (two biodiversity, two social services, two on renewable energy and two on climate change).

UNDP's comparative advantage lies in its capacity to broker finance from national and international sources, to assist countries to meet their environmental finance needs. In line with UNDP's mandate as chair of the UNDG, it plays a key role in the leveraging of resources from a range of funding sources in the construction of a project funding package. UNDP has brokered over US\$ 8 million for this project from multiple sources, to be confirmed during further project preparation. This includes a US\$ 700,000 cash allocation from UNDP's core resources. UNDP will also provide in-kind through its broader economic and governance portfolio and through the range of technical staff working in the environmental field. In-kind UNDP support will also be provided through its broader poverty and governance portfolio and through the range of technical staff working in the environment.

In the preparation of UNDAF, Sustainable Land Management has been recognized as a priority area for UN support to the Government. The project fits the signed 2010-2015 UNDAF and contributes to the achievement of UNDP Outcome 3 – "Principles of sustainable development integrated into country policies and programs: Increased availability of institutional products and services for the conservation and sustainable and equitable use of natural and cultural resources", which targets

“Number of institutional innovations/changes towards more sustainable resource use increased in sectors of the national economy related to the resource use”. The UNDP Country Office will assign six staff members to be responsible for the overall management and supervision of the project implementation. From the program’s side, the project will be under the overall supervision of the Deputy Resident Representative and Head of the Environment and Energy Unit, who has 13 years of extensive experience in the environmental field and project management, mostly dealing with issues of sustainable natural resources management in Kazakhstan. Direct support will be provided by an Environment Program Associate and Environment analyst with at least 10 years’ experience in project management and environmental issues in Kazakhstan. Implementation support on Human Resources, Logistics, Procurement and Finance will be provided by four staff members—Head of Finance Unit (Masters in Finance and Credit and 8 years’ experience in UNDP finance), Admin/Logistics Associate (12 years’ experience), Procurement Officer (MA, 9 years’ experience in HR) and a Human Resources Associate (MA, 11 years’ experience in HR).

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY:

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

NAME	POSITION	MINISTRY	DATE
N. Kapparov	Minister, National GEF Focal Point	Ministry of Environment and Water Resources	14.01.2014

B. GEF AGENCY CERTIFICATION

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

Agency Coordinator, name	Signature	Date	Project Contact Person	Telephone	Email Address
Adrianna Dinu UNDP-GEF Executive Coordinator and Director a.i.		02/06/2014	Maxim Vergeichik Regional Technical Advisor	+ 421 259 337 152	Maxim.vergeichik@undp.org