



United Nations Development Programme

Country: **Kazakhstan**

PROJECT DOCUMENT

Project Title: Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements

UNDAF Outcome(s): Improved and enhanced government capacities for integrated natural resources management, including the adaptation to and mitigation of climate change, as well as an increase in the capacity of the Government and communities to deal with natural disasters and other emergency situations

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded

UNDP Strategic Plan Secondary Outcome: Countries are able to reduce the likelihood of conflict, and lower the risk of natural disasters, including from climate change

Expected CP Outcome(s): Government, communities, and civil society practice an integrated approach to natural resource management in national and transboundary

Expected CPAP Output(s): Government, local authorities, communities, civil society, and the academic community use more effective mechanisms and partnerships that promote environmental sustainability and enable them to prepare, respond, and recover from natural and man-made disasters.

Executing Entity/Implementing Partner: Ministry of Environment and Water Resources

Implementing Entity/Responsible Partners: United Nations Development Programme

Brief Description:

This project is designed to conform to GEF-5 cross-cutting capacity development by implementing a set of targeted activities that emphasize improving coordination between institutions, improving management and strengthening mechanisms for financing improvements for the global environment. This project will be centered in the Ministry of Environment and Water Resources as the central executive agency in charge of environmental protection and it is responsible for implementing multilateral environmental agreements, natural environmental policies, monitoring, environmental impact assessments, and enforcement. This project will aid in the valuation of natural resources and ecosystem services as well as institutionalize new capacities by improving standards of environmental management.

Programme Period:	2014 - 2017
Atlas Award ID:	TBD
Project ID:	TBD
PIMS #	4248
Start date:	Sept 2014
End Date	Sept 2017
Management Arrangements	NIM
PAC Meeting Date	TBD

Total resources required	1,150,000
Total allocated resources:	1,150,000
o GEF TF (Grant)	500,000
o Government (In-kind)	600,000
o UNDP (In-kind)	50,000

Agreed by:

(Government)

(Name
Title)

Date/Month/Year

Agreed by:

(Implementing Partner)

(Name
Title)

Date/Month/Year

Agreed by:

**United Nations
Development
Programme**

Name
Title

Date/Month/Year

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Acronyms and Abbreviations

ACM	Adaptive Collaborative Management
CBD	Convention on Biological Diversity
CCCD	Cross-Cutting Capacity Development
CCD	Convention to Combat Desertification and Drought
CSO	Civil Society Organization
EIA	Environmental Impact Assessment
FCCC	United Nations Framework Convention on Climate Change
GEC	Green Economy Concept
GEF	Global Environment Facility
GHG	Greenhouse Gas
MDG	Millennium Development Goal
MEBP	Ministry of Economy and Budget Planning
MEA	Multilateral Environmental Agreement
MEWR	Ministry of Environment and Water Resources
NEAP	National Environmental Action Plan
NECSD	National Environmental Centre for Sustainable Development
NGO	Non-government organization
NIM	National Implementation Modality
NPD	National Project Director
NRV	Natural Resource Valuation
PIR	Project Implementation Review
PMU	Project Management Unit
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

PART I - PROJECT

A Project Summary

A.1 Project Rationale and Design

1. The basis for this project comes from a key recommendation proposed by the NCSA that seeks to rectify the critical deficiencies in Kazakhstan's limited economic incentives and legal and regulatory framework for meeting multilateral environmental agreement (MEA) obligations. This led to the recommendation that tools be developed to identify and measure environmental and economic costs and values for decision-making in development plans, programmes and projects.
2. Since the National Capacity Self-Assessment (NCSA) was completed in 2006, Kazakhstan has undertaken a number of important policies, strategies, and plans to accelerate the country's development agenda. This includes the *Concept of Transition of the Republic of Kazakhstan to Sustainable Development for the period 2007-2024*, *Kazakhstan 2030: Prosperity, Security and Ever Growing Welfare of All the Kazakhstanis* and the *Strategic Development Plan of the Republic of Kazakhstan by 2020*. The *Strategy Kazakhstan 2050: A New Political Course of the Established State* is a more recent policy instrument that further reaffirms Kazakhstan's long-term commitment to an integrated approach to environmentally sound and sustainable economic development. The *Concept for Transition of the Republic of Kazakhstan to Green Economy* (2013) lays out a programmatic approach for implementing the *Strategy Kazakhstan 2050*.
3. The Implementing Partner (otherwise known as the executing agency) for this project is the Ministry of Environment and Water Resources (MEWR). The project will be implemented under the National Implementation Modality in accordance with agreed policies and procedures between the Government of Kazakhstan and UNDP. With the support of UNDP, MEWR will establish the necessary planning and management mechanisms and facilitate government decision-making to catalyze implementation of project activities and timely delivery of project outputs. The project was designed to be complementary to other related projects under implementation in Kazakhstan, in particular those supported by the Global Environment Facility (GEF) to ensure non-duplication of GEF grants. Careful attention will be given to coordinating project activities in such a way that activities are mutually supportive and opportunities capitalized to realize synergies and cost-effectiveness.
4. This project is strategic and timely in that Parliament recently approved a seven-year action plan for the country's pursuit of a Green Economy, which is a top priority of the President. While natural resource valuation is not a new concept or approach, its application remains one that will be innovative and potentially transformative for Kazakhstan. Lessons learned and best practices from countries where natural resource valuation has been used, in particular in Europe, will significantly help reduce the learning curve in Kazakhstan and offer new models in the pursuit of a Green Economy.
5. This project is eligible under CD Programme Framework 2 of the GEF-5 Cross-Cutting Capacity Development (CCCD) strategy, which calls for countries to generate, access, and use information and knowledge. This project will develop capacities that aid in the valuation of natural resources and ecosystem services and link them in national development planning as well as institutionalize new capacities by improving environmental management standards.
6. The main expected outcome of this project is that decisions to protect the global environment are more likely. This will be achieved through the sensitization of decision-makers and the training of technical and management staff in the use of natural resource valuation tools. Specifically, the objective of this project is to develop technical and institutional capacities for undertaking an economic valuation of global environmental goods and services as potentially impacted by proposed development policies, programmes, plans and projects. This will include strengthening the appropriate legal instruments to legitimize the long-term use of natural resource valuation.
7. The project will take an adaptive collaborative management (ACM) approach to implementation, which calls for stakeholders to take an early and proactive role in the mainstreaming exercises, as well as to

help identify and solve unexpected implementation barriers and challenges. By taking an ACM approach, project activities and outputs can be more legitimately modified and adapted to maintain timely and cost-effective project performance and delivery.

A.2 Key Indicators, Assumptions, and Risks

8. There are a number of risks associated with the design of this project. One such risk is that government agencies may see natural resource valuation as an additional burden in the review and approval of plans, programmes, and projects. However, given the high political priority given to the pursuit of the Green Economy by the President, this is considered only a moderate risk. The assumption being made here is that this political directive trickles down to the strong mandate of the government state agencies to actively engage in this CCCD project as a means to implement the Green Economy strategy. The risk remains moderate because other non-state stakeholders must also support the development and use of natural resource valuation as a means to improve sectoral development plans and catalyst for the pursuit of a Green Economy.

9. There is an assumption that project partners and stakeholders will continue to accept the project strategy of being targeted and not to extend this project into a research exercise. Importantly, this project serves to being the testing and application of new and improved tools for valuing natural resources and effectively integrating these into effective decision-making for the global environment. For this reason, the project includes activities to regularly engage stakeholders in dialogues to maintain a shared understanding of the project's boundaries. In this respect, another assumption being made is that there are a sufficient number of stakeholders that will remain as project champions throughout project implementation, and that includes representative that will be selected as member of the Project Board.

10. A key outcome indicator of the project's success will be an appropriate formal agreement among state agencies to apply natural resource valuation and improved screening methodologies in their planning and decision-making processes, in particular sectoral agencies. Other process and performance indicators include the large numbers of government and non-state representatives that will have participated in the awareness-raising dialogues and workshops (e.g., 1.2.2) as well as the learn-by-doing exercises on the application of natural resource valuation (e.g., 1.2.3 and 2.1.2).

B Country ownership

B.1 Country Eligibility

11. Kazakhstan is eligible to receive technical assistance from the UNDP and is thus eligible for support under the Global Environment Facility. Kazakhstan ratified the Convention on Biological Diversity (CBD) on 9 June 1994, the Convention to Combat Desertification and Drought on 9 July 1997, and the Framework Convention on Climate Change (FCCC) on 19 June 2009. Kazakhstan also ratified a number of related protocols under the Rio Conventions, namely:

- The Cartagena Protocol on Biological Safety was ratified on 8 September 2008 to protect biodiversity from the potential risks posed by genetically modified organisms that are the product of biotechnology.
- The Kyoto Protocol was ratified on 19 June 2009, committing to stabilize greenhouse gas emissions for the period 2008-2012 at the 1990 level.

12. In addition to the Rio Conventions, Kazakhstan has demonstrated its commitment to the global community through the ratification of a total of 22 other MEAs including:

- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (ratified in 1995)

- Vienna Convention and Montreal Protocol on Substances that Deplete the Ozone Layer (ratified in 1998¹)
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (ratified in 1998)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (ratified in 2000)
- Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (ratified in 2001)
- Convention on Environmental Impact Assessment in a Transboundary Context (ratified in 2001)
- Ramsar Convention on Wetlands (ratified in 2007)
- Stockholm Convention on Persistent Organic Pollutants (ratified in 2007)

13. The GEF strategy for Cross-Cutting Capacity Development projects serves to provide resources for reducing, if not eliminating, the institutional bottlenecks and barriers to the synergistic implementation of the Rio Conventions. This particular project is in line with CCCD Programme Framework 2, which calls for countries to generate, access, and use information and knowledge. Through a learning-by-doing process, this project will develop capacities and aid in the valuation of natural resources and ecosystem services and institutionalize new capacities by improving standards of environmental management in national development planning.

B.2 Country Driven-ness

14. This project is closely aligned with Kazakhstan's national priorities and strategies such as those identified in the United Nations Development Assistance Framework (UNDAF) 2010-2015. The UNDAF is the result of a continuous consultative process designed to create a common operational framework for development activities that most effectively respond to Kazakhstan's national priorities and needs. This process was guided by the goals and targets of the government-endorsed Millennium Declaration, as well as the national development goals embodied in the country's long-term development strategy 'Kazakhstan 2030: Prosperity, Security and Ever Growing Welfare of all Kazakhstanis' and the 2020 Strategic Development Plan of the Republic of Kazakhstan. The UNDAF was further guided by other medium and long-term development strategies, such as the Concept of Transition of the Republic of Kazakhstan to Sustainable Development for the period 2007-2024 (UN, 2009).

15. This project will directly address one of the three priority areas that emerged from the UNDAF process: environmental sustainability. The UNDAF emphasized a need for improved and enhanced government capacities for integrated natural resource management, including adaptation to and mitigation of climate change and to increase the capacities of the Government and communities to deal with natural disasters and other emergency situations. Outcome 2 of the UNDAF calls for communities, national, and local authorities to use more effective mechanisms and partnerships that promote environmental sustainability and enable them to prepare, respond, and recover from natural and man-made disasters by 2015. This project is also in line with UNDAF Outcome 3 that calls for state actors at all levels and civil society to be more capable and accountable of ensuring the rights and needs of the population, particularly vulnerable groups by 2015.

16. This project will also assist Kazakhstan in the achievement of its Millennium Development Goals (MDGs), particularly MDG 7 that calls for improved environmental sustainability in the country. By developing natural resource and ecosystem services valuation tools, this project will directly address Target 9 of MDG 7 that seeks to integrate the principles of sustainable development into the country's policies and programmes and reverse the loss of environmental resources.

17. In December 2012, Kazakhstan's President Nazarbayev presented 'Strategy Kazakhstan 2050: A

¹ Subsequent amendments were ratified in 2001 and 2011.

New Political Course of the Established State’, calling for a sustainable and efficient economic model to help the country transition into a green economy and become one of the top 30 most developed countries by 2050 (Nazarbayev, 2012). Four of the ten key challenges of the 21st Century listed in the address are directly tied to natural resource management (i.e., global food security threat, water shortage, global energy security, and the exhaustion of natural resources). As part of this new strategy, the President explicitly called for a new system of managing natural resources as a matter of economic policy in the first stage of his strategy.

18. Building on Strategy Kazakhstan 2050, the Concept for Transition of the Republic of Kazakhstan to Green Economy lays out goals and targets and general approaches for achieving sustainable development in the country. Increased resource management efficiency, improved environmental quality, and increased national security including water supply make up three of the four priority goals outlined in the Concept (MEP, 2013). The Concept was developed in part by McKinsey with a strong market-based approach that favors major energy investments. The Concept was approved in May 2013, and the follow up Action Plan was approved by the Government in August 2013 (Osanova, 2014).

B.2.a National Capacity Self-Assessment

19. Kazakhstan completed its National Capacity Self-Assessment in 2006. The purpose of this activity was to determine the country’s priority capacity needs as well as key constraints limiting effective and efficient implementation of the Rio Conventions, and how to address these barriers moving forward. As a result of this process, the NCSA produced thematic assessments, a cross-cutting analysis, a capacity development action plan, and a final synthesis report (UNDP, 2006).

20. The NCSA was conducted in a very iterative manner over a period of two years. Multiple surveys, workshops, working groups, and conferences were organized to ensure wide stakeholder involvement in the process; the assessment included participation from government ministries and departments, NGOs, academia, research institutions, and the private sector. To further improve stakeholder participation, each thematic review prepared matrixes outlining the roles of each stakeholder in terms of their contribution to Rio Convention implementation. Despite attempting to include as many stakeholders as possible, the NCSA process faced challenges bringing everyone on board. As noted in the final report, a number of government experts opted not to participate in the process either because they were already over-burdened with responsibilities, while others such as the Ministry of Justice chose not to participate at all because they felt that environmental conventions fell outside of the scope of their work (UNDP, 2006).

21. As a result of the NCSA process, the final report identified multiple capacity problems facing the country and categorized them into four main cross-cutting constraints:

- Institutional arrangements to implement the Rio Conventions were deemed insufficient. This was due largely by the weak coverage of government mandates, undeveloped scientific methodologies, and ineffective cooperation and collaboration among state agencies to address Rio Conventions
- At the time of the NCSA, there were insufficient incentives or accountability to meet Rio Convention obligations. For example, legislative and economic incentives are at odds with Rio Conventions, and key government staff are not sufficiently on board
- Insufficient level of awareness and knowledge of Rio Conventions at multiple levels

22. Based on these challenges, the NCSA identified three strategic objectives that would form the basis of a capacity development action plan and help address the root causes of the above listed problems:

- Creation of the institutional conditions and mechanisms of cross-sectoral/interdepartmental coordination for achievement of the Conventions objectives;
- Improvement of the system on stimulating the activity of the government agencies and nature users for achievement of the Conventions objectives;

- Improvement of the level of awareness and knowledge of the problems and practical approach for achievement of the Conventions objectives among the persons responsible for decision making and activity arrangement.

23. This project specifically addresses one of the key recommendations that the NCSA proposed to strengthen the use of economic incentives for meeting obligations under the Rio Conventions, among other multilateral environmental agreements and to rectify the associated key deficiencies in Kazakhstan's legal and regulatory framework. That recommendation led to the Government's decision to develop and use innovative tools that could identify and measure environmental and economic costs and values for decision-making on development plans, programmes, and projects.

B.2.b Sustainable Development Context

24. The Republic of Kazakhstan is located in the center of the Eurasia continent bordered by Russia to the north and west, China to the east, and Kyrgyzstan, Uzbekistan and Turkmenistan to the south, and the Caspian Sea lies just southwest of the country. Kazakhstan has a total land area of approximately 2,724,900 km² making it the 9th largest country, and the largest landlocked country in the world. Not surprising for a country of its size, Kazakhstan has a great diversity of natural conditions, ecosystems and species. Its four main ecological systems are: forest, steppe, desert, and mountain with 75% of the country being classified as dry or sub-humid (MEP, 2009).

25. The country is host to over 6,000 species of vascular plants, 5,000 species of mushrooms, 485 species of lichens, 2,000 species of sea weeds, 178 mammal species, 489 bird species, 12 amphibian species, and 104 fish species. Of this vast diversity, the Red Data Book of Kazakhstan lists 125 species of vertebrates (15%), 96 species of invertebrate, 287 species of higher plants (4.8%), and 85 species of insects. Rare hoofed animals, despite the improved quality of protection, are still declining, and the situation is generally critical for many species. Poaching is the primary cause of the rapid decline, and the parties that are responsible for this include poor communities with little alternative as well as more affluent groups (MEP, 2009). In an effort to preserve its ecosystems, Kazakhstan has dedicated 14.8 million ha, or 5.44% of its land area, to protected areas. The best-represented ecosystems are the mountains, while the steppe lakes ecosystems are less represented and the worst-represented ecosystems are the desert and semi-desert, which cover more than half of the territory of Kazakhstan (MEP, 2009).

26. Climate conditions vary drastically within the country due to its vast area and distance from the ocean. Temperatures can range from -52 °C in the long, cold winters of the north to 47 °C in the south during the summer. Precipitation varies from 500-1600mm in the mountain regions to 100-200mm in the deserts. According to UN data 66% of Kazakhstan is prone to desertification (UN, 2009).

27. Central Asia is one of the most disaster-prone regions of the world, and Kazakhstan's geographical location within this region places it at high exposure to various natural disasters, like earthquakes, floods, droughts and debris flows. Moreover, 40% of Kazakhstan's nearly 17 million people live in a highly active seismic zone where high Richter rating earthquakes are probable and another one million people live in settlements vulnerable to flooding. Between 2002 and 2011, damages arising from natural disasters in Kazakhstan are estimated at approximately US\$ 69 million.

28. Notwithstanding this disadvantage, Kazakhstan has made tremendous progress since its independence in December of 1991. For instance, GDP per capita has increased 16-fold since independence from US\$ 700 to US\$ 13,000, and its annual GDP growth in 2013 was 6.0% (World Bank, 2014). Kazakhstan has also already achieved the first three Millennium Development Goals for poverty reduction, universal primary education, and the promotion of gender equality. Since 1991, poverty rates have fallen from 47% down to 3.8% in 2012 with only 5.4% of the population unemployed. In the 2013 Human Development Report Kazakhstan scored a human development index of 0.754 placing it at 69 of 187 countries (World Bank, 2014; UNDP, 2013).

29. Nonetheless, Kazakhstan faces diverse environmental problems affecting the health and livelihoods of its people, and general awareness among the public is quite high (Ospanova, 2014). Key environmental issues in the country include the shrinking of the Aral Sea, growing degradation of the Caspian Sea, increasing salinity of water and land, loss of forest lands, land erosion, as well as serious environmental, social and health concerns due to 40 years of underground and atmospheric nuclear weapons testing at the Semipalatinsk site (UN, 2009; Ospanova, 2014). A number of these problems were inherited from the former Soviet Union, while others are the result of the country's own drive for economic growth that is traditionally heavily dependent on natural resource extraction and rent largely through highly unsustainable means (UN, 2009; Ospanova, 2014). The economy is based primarily on services that make up 56% of GDP, while industry accounts for 39%. Although employing around 25% of the population, agriculture accounts for less than 5% of the GDP (ADB, 2013).

30. Kazakhstan's growing economy has led to the planning and implementation of large-scale projects in many economic sectors, which place economic considerations as the primary criteria for deciding the legitimacy and value of development projects. Not surprisingly, most, if not all of these projects failed to sufficiently take into account Rio Convention obligations or other associated environmental impacts in their planning phase. Decision-makers lack knowledge of the entire range of project impacts and benefits including, for instance, benefits from adaptation to climate change, social impacts of soil degradation and biological diversity.

31. Despite its availability, scientific knowledge in Kazakhstan is not adequately incorporated into the development of innovative practices, partly because key agencies do not share a common understanding of how to use scientific knowledge to formulate environmentally-sound and sustainable policies, plans, and projects. This is exacerbated by the institutional challenges of Kazakhstan's public administration, which seriously limits transparency and collaboration. In 2005, Kazakhstan signed the Extractive Industries Transparency Initiative that has helped on this front. The relative narrowness of this initiative did not facilitate opportunities to extend similar scrutiny to other economic activities and on environmental externalities (Ospanova, 2014).

32. Although Kazakhstan is undertaking important steps to meet global environmental commitments, measures and initiatives currently underway and planned are neither sufficiently comprehensive nor innovative. Kazakhstan's population and economy are both highly vulnerable to projected climate change, particularly with regard to the increasing scarcity of water resources (UN, 2009; Ospanova, 2014). As a downstream country, Kazakhstan is heavily dependent on water flows from neighboring countries, and consequently, transboundary issues and regional cooperation on water resources management are increasingly higher on the government's agenda. Regional challenges are exacerbated by water-energy dependencies created during the Soviet era. (UN, 2009, p. 16).

33. While Kazakhstan may have contributed little to the current global warming crisis, the country has made great improvements in reducing greenhouse gas emissions since independence. As one of the top oil and gas producers in the region, Kazakhstan has the highest level of greenhouse gas (GHG) emissions per capita and per GDP in all of Central Asia. In 2011, total GHG emissions were 274.46 million tons of CO₂ eq., while per capita emissions were 16.7 tons of CO₂ eq.² (MEWR, 2013). The energy sector is the largest national emitter with over 85% of total emissions, followed distantly by agriculture at 7.9% and industrial processes at 6.3% (MEWR, 2013). Kazakhstan is committed to reduce its emissions by 15% by 2020 and 25% by 2050 against a 1992 baseline, and much progress has already been made to fulfill these commitments (UNDP, 2012).

34. Pollution from greenhouse gas emissions are matched by the serious problem of industrial waste generation in Kazakhstan, which has a number of the world's largest chemical, metallurgic and power plants. According to a 2007 report by the European Environmental Agency, Kazakhstan produced ten

² Total emissions in 1990 were 358.38 million tons of CO₂ eq., and per capita emissions were 22 tons of CO₂ eq.

times more hazardous waste per capita than Russia or Ukraine. This report estimated that the country had already accumulated 40 billion tons of hazardous waste in 2007 and that an additional 3.7 billion tons were being added to that amount annually (European Environmental Agency, 2007).

35. With the realization that the significant economic losses arise from inefficiencies and deterioration of production facilities, the government is all-the-more convinced of the value of a green economy. Kazakhstan has other good reasons to make the transition to a more sustainable economy. The country already has serious air and water pollution issues, and the monitoring systems in place are not sufficiently funded to handle the current pollution load on the environment (World Bank, 2014). Pollution creates problems for human populations, but it also has serious ramifications for other organisms in the country's varied ecosystems.

36. As mentioned above, the country is in the process of moving towards a green economy that integrates sustainability into the national economy. Although key agencies and institutions have been slow to fully endorse the green economy concept, this new emphasis on the economic incentives of the green economy has helped attract new partnerships. This includes the Ministry of Industry and New Technologies, as well as attracting support at the highest level, i.e., the President and other key national leaders. Furthermore, the green economy concept is already firmly grounded in numerous national planning documents as mentioned above, among the country's international initiatives.

37. Due to the country's high vulnerability to transboundary environmental issues, Kazakhstan is an active participant of transboundary water-related cooperation within the framework of the International Fund for Saving the Aral Sea and the Caspian Environmental Programme, among others (UNDP, 2012). Kazakhstan is also an active participant in two regional processes: the Asia-Pacific Forum for Environment and Development and Environment for Europe. Both processes have strong environmental components, while the Asia-Pacific Forum also integrates the other two pillars of sustainable development: social equity and economic prosperity. Environment for Europe's key advantages are its administrative and economic instruments (UNDP, 2012).

38. In addition to the above, President Nazarbayev proposed the establishment of a European-Asian-Pacific partnership known as the Green Bridge Partnership Programme in 2011 to help the region transition from the current conventional development models to green growth. The goal of this partnership is to speed the adoption of regional and national green growth policies that enable accelerated implementation of investment projects through multilateral cooperation and public-private partnerships (UNDP, 2012). The programme is supported by the members of the United Nations Economic and Social Commission for Asia and the Pacific and the United Nations Economic Commission for Europe (Ospanova, 2014). Another important event is Expo 2017: Future Energy, which will be hosted by Kazakhstan and will draw attention to the business case for sustainable development.

B.2.c Policy and Legislative Context

39. During the early years, Kazakhstan relied upon many Soviet practices for its environmental policies and legislation. These policies and laws failed to assess the full impact of the country's economic activity with regard to the associated environmental and socio-economic costs (AGRIP KCO, 2004). The country has since revised many of its environmental and natural resource management policies and renewed interest in sustainable development policies at the highest levels of government. In Kazakhstan, policy guidance is given by the Presidency and transmitted to the public administration at the central and regional levels for implementation through medium- and long-term development strategies such as Kazakhstan 2050.

40. One of Kazakhstan's earliest environmental successes came with the development of the National Environmental Action Plan (NEAP). In 1997, Kazakhstan, with assistance from World Bank, UNDP, and the European Union's TACIS Programme, developed the document to be a comprehensive environmental action plan, which the Government would use as a blueprint for future environmental actions and investments. The NEAP was approved in 1998 and was included in the Government's Plan for 1998-2000 and in the Long-term Strategy for Kazakhstan's Development until 2030. The NEAP helped attract over

US\$ 500 million in financing for 33 projects of environmental value. Furthermore, OECD praised the plan as one the best in the 'Environment for Europe' process, noting it was a good example of cross-sectoral and public-private cooperation (UNDP, 2006).

41. In 1998, UNDP Kazakhstan helped reorganize the NEAP into the NEAP/SD Center, which changed to the National Environmental Centre for Sustainable Development (NECSD) in 1999. The NECSD went on to coordinate all ecological projects and their implementation between 1998 and 2000 and with the help of MEP and UNDP it produced numerous international initiatives³ (UNDP, 2006). Due to its effectiveness at home and abroad, NECSD had a very positive reputation. Nonetheless, after the evaluation report in 2002, the institutional programme of support to NECSD was sharply reduced based on faulty conclusions of its legal status. In 2002, the NECSD was disbanded causing a considerable setback to sustainable development efforts (UNDP, 2006).

42. Around the same time, the country was also starting to incorporate sustainability issues into the national strategies. In 2001, the government approved the 2010 Strategic Plan for Kazakhstan Development that included measures to improve performance on multilateral environmental agreements. Such measures included the formation of the global and regional environment protection systems and the provision of improved natural resource and other legislations in compliance with multilateral environmental agreements. The Environmental Safety Convention for 2005-2015 provides for the need for increase of the capacity of the civil sector. In compliance with this Convention, the capacity of the environmental non-government organizations are to be directed to awareness-raising and tracking of compliance with the liabilities under the international conventions (UNDP, 2006, p. 5).

43. Kazakhstan has produced many well-developed strategies and concepts that have tried to harmonize the disparate priorities of the country, however none have realized their potential either because they were either not implemented or because they lacked viable financial and/or legislative frameworks (Ospanova, 2014). One such plan is the Concept on Transition to Sustainable Development for the period of 2007-2024. Another initiative is the national cross-sectoral green development programme for 2010-2014 (Zhasyl Damu) that proposed a number of innovative mechanisms to facilitate low-emission 'green growth'. The programme has been promoted as a catalyst for a green economy, highlighting a range of issues including GHG reduction, natural protected areas, water quality, air pollution and waste management (Ospanova, 2014). Zhasyl Damu has already earmarked KZT 163.5 billion (US\$ 885 million) for implementation, yet it has been struggling due to much local and national criticism for ineffective use of funds and corruption (Ospanova, 2014).

44. The 2007 Environmental Code was a major milestone in national environmental policy. The law introduced the principle of 'free prior and informed consent' and the 'polluter-pays' principle, and may also include provisions for Strategic Environmental Assessments. The Environmental Code sought to integrate environmental management through a system of frameworks, targets and incentives, and there is a possibility that pilot results from a programme promoting payment for ecosystem services may be incorporated into the code.

45. Despite a fairly extensive legal framework for environmental sustainability, poor monitoring and enforcement, particularly at the local level, and overlapping legal documents remain significant challenges. The country is similarly troubled by poor enforcement of the Rio Conventions and other MEAs that represents a significant gap with regard to disaster risk management, as does low human resources capacity

³ Initiatives included: Application for the special status of Kazakhstan in the Convention on Climate Change; Development of the Regional program on Environment Protection of Central Asia; Connection of Kazakhstan to the international conventions on questions of transboundary rivers, emergencies and transboundary air pollution; Connection of Kazakhstan to Aarhus convention on the right of a public to access to the environmental information, participation in environmental management decisions affecting them and access to justice; Preparation of the international UNO program on problems of nuclear range and others.

at local level (UN, 2009).

46. As mentioned previously, the extractive industry and its interests dominate the country's entire economy; this poses serious challenges to the strategy of transitioning to a green economy. The Kazakhstan National Green Growth Plan prepared by Global Green Growth Institute conducted a thorough analysis of the Kazakhstan economy and concluded that the current subsidies to traditional economic sectors such as oil and gas are disproportionately high. This analysis suggests that the prevailing economic system is biased against environmentally sustainable actions and limits the efficacy of any pro-environment incentives (Ospanova, 2014). If the country is to address its sustainability problems, an important step would be the comprehensive subsidy reform (Ospanova, 2014).

47. Another reform that would aid Kazakhstan in its goal of achieving a green economy would be in the Tax Code. Environmental taxes for activities that create environmental burdens were considered in 2009, but never implemented (Ospanova, 2014). With the current push for the Green Economy Concept, new environmental taxes may appear shortly.

48. In January 2013, Kazakhstan launched a cap-and-trade system targeting the reduction of GHG emissions; they are the first country in the region to attempt such a system (Ospanova, 2014). While it is still early to tell the efficacy of the system, it is nonetheless an important step towards addressing requirements under the UNFCCC and climate change more broadly.

B.2.d Institutional Context

49. The Ministry of Environmental Protection of the Republic of Kazakhstan was the central executive agency in charge of environmental protection and was also responsible for implementing multilateral environmental agreements, national environmental policies, monitoring, environmental impact assessments, and enforcement. In 2013, MEP was reorganized into the Ministry of Environment and Water Resources of the Republic of Kazakhstan in accordance with the Decree of the President N° 677 signed 29 October 2013: "On Further Improvement of the Public Administration System of the Republic of Kazakhstan". With this change, the duties to protect and restore forest and water resources and protected natural areas were transferred from the Ministry of Agriculture to the Ministry of Environment and Water Resources (MEWR). Along with these duties, obligations under the Rio Conventions that previously fell on the Ministry of Agriculture are now the responsibility of the MEWR.

50. The Ministry's previous efforts to implement sustainable development strategies were often thwarted by its own limited regulatory capacity over the very resources it was charged to protect and insufficient institutional clout to interact with key institutions (Ospanova, 2014). One key advantage of the reorganization is that with the water resources governance under the jurisdiction of the Ministry of Environment and Water Resources, the Ministry itself is strengthened and has a stronger mandate to develop a more systematic approach to implementation of an integrated water management plan (Ospanova, 2014).

51. The Sustainable Development Council, comprised of representatives from government, private sector, research institutions and NGOs is among a number of structures and mechanisms to implement the Rio Conventions. The Council bases its activities on inter-agency cooperation with the aim of catalyzing the integration of economic, social, and environmental policies to achieve sustainable development. Because this institutional mechanism is already in place, the Sustainable Development Council is expected to be revitalized and its mission strengthened to coordinate inter-agency implementation of the Green Economy Concept (Ospanova, 2014).

52. The Ministry of Economy and Budget Planning is the central executive authority responsible for cross-sectoral and inter-regional coordination and the formation and implementation of national public policy. Its mission is to develop a coherent and effective system of state planning, focused on achieving strategic objectives and to implement priority the socio-economic development and to develop trading activities and to develop trading activities. In 2008, the Ministry explored the possibility of introducing a wider range of environmental and social protection indicators into Kazakhstan's national accounting

practices. Although the exercise was only a theoretical explanation, it was one of the first national attempts to discuss the possibility of green accounting (Ospanova, 2014).

53. The Ministry of Industry and New Technologies (formerly Ministry of Energy and Mineral Resources) determines policy in numerous sectors of the economy including coal, nuclear and renewable energy use as well as mining, construction and chemical safety among others. The Ministry also bears the responsibility for development, attraction, introduction and use of technologies to decrease greenhouse gas emissions in the industrial sector (UNDP, 2006, p. 4).

54. Complex public administration reforms have been implemented since 1997, and improvements are being made to aid efficiency and effectiveness of the government at all levels. Nonetheless, there is still institutional weakness with regard to the delivery of public services, and efforts to engage the public through social dialogue require further development. Significant disparities between the objectives of local governments and their capacity to deliver, as well as the underdevelopment of civil society organizations need to be addressed in order to achieve inclusiveness and equitable access (UN, 2009, p. 20)

55. As of March 2013, there is a draft Law on Local Governance that is designed to strengthen capacities of local communities to monitor local state budget spending, and encourage development of multi-stakeholder public and local community entities that can engage with the local and sub-regional authorities. By strengthening local governance and community participation, this legislation is an important step towards good governance and accountability at the local and sub-regional scale (Ospanova, 2014, p. 19).

56. The Ministry of Environmental Protection (now the Ministry of Environment and Water Resources), with the help of the United States and the European Union, established an independent, nonprofit, and nonpolitical Regional Environmental Center in Kazakhstan to support sustainable development and strengthen civil society by promoting public awareness and participation in environmental decision-making among the countries of Central Asia (US State Department, 2014). Kazakhstan does have other such NGOs and coalitions with an established record on socio-environmental issues. Success stories include campaigns against radioactive waste disposal and the degradation of the Caspian Sea. Nonetheless, there is significantly less history of independent civil society participation in the economic arena, particularly with regard to the extractive sector (Ospanova, 2014).

57. Typically NGOs are seen as politically motivated and driven by foreign donors; this hampers overall civil society development. This perception is only worsened by the existence of quasi-NGOs that are established by the government and industries to represent their interests in multi-stakeholder processes (Ospanova, 2014). In addition, legitimate CSOs are confronted with a variety of barriers including large amounts of paperwork, resources and time, simply to prove their validity. The few CSOs with the requisite technical and administrative aptitude and the persistence to survive this ordeal tend to be larger international NGOs or government counterparts (Ospanova, 2014).

Table 1: Key mandates of select government ministries (March 2014)

Ministry	Mandate as relevant to the project
Ministry of Agriculture	Oversees food, agriculture and public policy
Ministry of Culture and Information	Preserves and promotes the language, history and culture of Kazakhstan
Ministry of Economy and Budget Planning	Responsible for coordinating and developing socio-economic policy by developing public policy and implementing state policies
Ministry of Education and Science	Manages the fields of education, science, children's rights and youth policy.
Ministry of Emergency Situations	In charge of policy formation for: prevention and elimination of natural and man-made disasters, civil defense, coordination of fire and industrial safety, formation and development of state material reserve, development of

	prevention and liquidation of emergency situations
Ministry of Environment and Water Resources	Responsible for Rio Convention obligations, environmental protection, monitoring, water resources and protected natural areas, restoring forests, national environmental policies
Ministry of Finance	Develops and manages tax, customs, budget policies, accounting, financial and budget reporting
Ministry of Industry and New Technologies	Performs management in the field of industry, industrial innovation, scientific and technological development, mining and metallurgy, electric power including renewable energy use, energy efficiency, sustainable tourism among other duties
Ministry of Oil and Gas	Develops and coordinates policies related to petroleum
Ministry of Regional Development	Manages formation and implementation of state policy for: regional development, development and support of private entrepreneurship, architectural, town planning and construction activities, housing and utilities, state regulation in the field of water supply and disposal, electricity, heat and gas supply within the borders of built up areas, management of land resources, geodesy and cartography activities
Ministry of Transport and Communications	Concerned with transportation, roads, civil aviation, communication

B.2.e Barriers to Achieving Global Environmental Objectives

58. The NCSA was a structured process for Kazakhstan to identify and assess the key barriers to meeting global environmental objectives as defined by the Rio Conventions. Among the key systemic barriers to meeting Rio Convention obligations was an insufficient motivation or championship in the country to have a meaningful impact (UNDP, 2006). Legislation and economic incentives are often at odds with the Rio Conventions, and even though much of the necessary legislation and regulations are in place, they are not supported by the practical procedures and working methods that are needed for broad and integrated implementation of these conventions.

59. Many policies and plans have attempted to integrate sustainability issues into the broader national economy such as the Environmental Code of 2007, the Kazakhstan National Green Growth Plan, the 2005 Concept on Kazakhstan's Transition to Sustainable Development, and most recently the Concept to Transition to Green Economy. Nonetheless, past initiatives failed to adopt a suitably holistic approach to sustainable development and moreover, they are largely driven by the Ministry of Environment and Water Resources without adequate buy-in from the economic and finance establishment and championship from key government staff (Ospanova, 2014, p. 10; UNDP, 2006). Moreover, concerns over corruption corrode the public's faith in public institutions and their ability to deliver on their obligations (UN, 2009, p. 20; Ospanova, 2014).

60. While the new Green Economy Concept is gaining traction in the business community, thus far the majority of attention has focused on renewable energy and energy efficiency (Ospanova, 2014). Other initiatives such as waste and water management are gaining momentum as priorities, but other sustainable development issues that do not have a sound economic case such as ecosystem health or social equity are not part of the national dialogue. The reason for this being that the government and business community are not prepared to take this next step (Ospanova, 2014). Even though there are a number of scientific and research institutes involved in the assessment of environmental trends and values, little knowledge is shared across sectors and among experts.

61. Cross-sectoral, inter-departmental and internal departmental cooperation regarding Rio Conventions is particularly ineffective. Additionally, there is poor cooperation between key agencies acting in the sphere of global environment protection and nature protection organizations. Public participation and

awareness in the decision making process for implementation of Conventions is insufficient as is the contribution of different sectors and types of activities in fulfillment of the Conventions obligations (UNDP, 2006).

62. Frequent reforms and changes in government agencies have a debilitating effect on institutional memory. Meanwhile, there is significant institutional resistance to incorporating sustainability into sectoral plans and programmes. This is often a result of a lack of understanding of the close link between the natural environment and the national economy and decision-makers in key sectors, especially those not collaborating closely with the MEWR, have little understanding of how their own work influences the achievement of Rio Convention obligations. There is little understanding of how to determine (global) environmental indicators, value natural resources, and calculate socio-environmental risks of environmental degradation. The system for accounting the contribution of different sectors and activities towards meeting the commitments under the Rio Conventions is weak.

63. The mechanism of implementation of the Rio Conventions is insufficient (i.e., government mandates are lacking, scientific methodologies for implementation are undeveloped, and there is no effective integration of the Rio Conventions into government programs). Furthermore, Kazakhstan does not effectively employ economic incentives to conserve biodiversity, catalyze sustainable land management, assess vulnerability to the impacts of climate change, or encourage measures to mitigate the negative impacts of climate change. Economic leverage is based on fees for the use of natural resources, notably land and wildlife. However, users appear to prefer a pay-as-you-go approach rather than being taxed in advance, the relatively meager contributions of which are currently deposited into a national environmental trust fund. As a result, there is little funding generated to promote the use of more effective technologies and approaches.

64. Kazakhstan's administrative mechanisms and regulatory instruments relevant to economic development, as well as the compensation and rehabilitation mechanisms incentives do not adequately incorporate environmental considerations and are poorly understood. Additionally, there is no system in place for quantifying the value of natural resources and ecosystem services while the costs of externalities are equally absent in the budgeting and planning process. Data needed to estimate the economic value of environmental goods and services is either non-existent or outdated, yet there is an underlying skepticism related to quantifying economic benefits from environmental goods and services.

65. The NCSA identified a number of underlying capacity barriers to implementing and sustaining outcomes under the three Rio Conventions. At the systemic level, regulation of the authorities and responsibilities of government agencies with respect to the Rio Conventions was and remains relatively unclear, with unnecessary overlap. Indeed, there are inadequate incentives or mechanisms to enable or encourage progress on Rio Convention implementation. Scientific and technological methodologies for Rio Convention implementation remain outdated or ineffective, although work is on-going to develop these capacities.

66. At the institutional level, the effectiveness of the cross-sectoral, inter- and intra-departmental cooperation for achievement of the Conventions objectives was deemed inadequate during the NCSA. This was due to the ineffectiveness of the working groups and commissions that were established for implementation of the Rio Conventions provisions. Cooperation and collaboration of the key agencies with non-state organizations involved in environmental conservation was minimal, despite the latter's comparative advantages. This extended to insufficient participation of civil public in the decision-making process for Rio Convention implementation as well as insufficient contribution of different socio-economic sectors that have an impact on the fulfillment of Rio Conventions obligations.

67. At the individual level, there is insufficient awareness and knowledge among important social actors at multiple levels on the Rio Conventions obligations, in particular on strategies and approaches for meeting them through the existing national development planning frameworks. At multiple levels (absence of uniform knowledge management system for using the Conventions in different sectors; system of staff advance training/retraining is not developed; educational system does not provide an appropriate qualitative

level of practical training for implementation of the Conventions objectives; insufficient information on economic benefits of considering the objectives of the Conventions in the policy of development).

C. Programme and policy conformity

C.1 GEF Programme Designation and Conformity

68. This project conforms to the GEF-5 Cross-Cutting Capacity Development Strategy, Programme Framework CD-2, which calls for generating, accessing, information and knowledge. More precisely, this CCCD framework provides the vision for CCCD projects to aid in the valuation of natural resources and ecosystem services as well as institutionalize new capacities by improving standards of environmental management.

69. This project is strategically designed to conform to GEF-5 cross-cutting capacity development by undertaking a set of targeted activities that emphasize improving coordination between institutions, improving management and strengthening mechanisms for financing improvements for the global environment. This project will be executed by the Ministry of Environment and Water Resources as the central executive agency in charge of environmental protection and it is responsible for implementing multilateral environmental agreements, natural environmental policies, monitoring, environmental impact assessments, and enforcement.

70. GEF Cross-Cutting Capacity Development is a programme that does not lend itself readily to programme indicators, such as reduction of greenhouse gas emissions over a baseline average for the years 1990 to 1995, or percentage increase of protected areas containing endangered endemic species. Instead, CCCD projects are measured by output, process, and performance indicators that are proxies to the framework indicators of improved capacities for the global environment. To this end, CCCD projects look to strengthen cross-cutting capacities in the five major areas of stakeholder engagement, information and knowledge, policy and legislation development, management and implementation, and monitoring and evaluation.

71. This project will implement capacity development activities through an adaptive collaborative management approach to engage stakeholders as collaborators in the design and implementation of project activities that take into account unintended consequences arising from policy interventions.

72. The project is also consistent with the programmatic objectives of the three GEF thematic focal areas of biodiversity, climate change and land degradation, the achievement and sustainability of which is dependent on the critical development of capacities (individual, organizational and systemic). Table 2 that summarizes the project's conformity with the 11 operational principles of capacity development identified in the GEF Strategic Approach to Capacity Building.

Table 2: Conformity with GEF Capacity Development Operational Principles

Capacity Development Operational Principle	Project Conformity
Ensure national ownership and leadership	<i>This project has strategic value as it is connected with high political commitment from the Government and President Nazarbayev for Kazakhstan's Concept for a Green Economy and it supports Strategy Kazakhstan 2050 that plans to help the country transition into a green economy and one of the top thirty most developed countries by 2050.</i>
Ensure multi-stakeholder consultations and decision-making	<i>Input from all levels of government, NGOs and community leaders is expected, encouraged, accommodated, and accounted for in order to ensure stakeholder support and assistance in maintaining long-term and self-sustaining results. International and national input will be necessary to develop natural valuation tools to achieve best practices in this field.</i>

Capacity Development Operational Principle	Project Conformity
Base capacity building efforts in self-needs assessment	<i>This project is rooted in the 2006 NCSA that seeks to rectify the critical deficiencies in Kazakhstan's legal and regulatory framework and the limited economic incentives for meeting the MEA obligations.</i>
Adopt a holistic approach to capacity building	<i>This project adopts a holistic approach to capacity building by stakeholder involvement at the individual, institutional, and systemic level and in the development, training and institutionalization of the project goal to facilitate better development decisions for the global environment.</i>
Integrate capacity building in wider sustainable development efforts	<i>Along with the Concept of Transition of the Republic of Kazakhstan to Sustainable Development 2007-2024, and other national priorities, this project is concurrent with existing efforts that can strengthen the impact of sustainable development.</i>
Promote partnerships	<i>Partnership promotion is achieved through this project via stakeholders involved with the development of natural resource valuation tools and subsequent trainings necessary to build capacity for their use. Ensuing legislative and institutional reforms will also necessitate forming and strengthening partnerships to achieve improved policies, programmes, plans and projects. The Green Bridge Partnership Programme is also an important complementary parallel programme that serves to promote regional partnerships on good practices for green growth.</i>
Accommodate the dynamic nature of capacity building	<i>This project will develop capacities that aid in the valuation of natural resources and ecosystem services and link them in national development planning as well as institutionalize new capacities by improving standards environmental management as part of the CD Programme Framework 2 of the GEF-5 Cross-Cutting Capacity Development strategy.</i>
Adopt a learning-by-doing approach	<i>Through a learning-by-doing approach, this project relies on various levels of stakeholders to implement activities for an improved Green Economy. By engaging people in the trainings for improved technical capacities and mainstreaming of natural resource valuation via a high profile development project, a learning-by-doing approach reinforces national ownership and leadership of the project.</i>
Combine programmatic and project-based approaches	<i>By definition, the activities will be implemented through a project-based approach. However, these capacity development activities are structured to support sustainable development and the Green Economy, which can best be programmed within broader sustainable development programmes.</i>
Combine process as well as product-based approaches	<i>This project was developed through a process of stakeholder consultation on the project's strategy. Project implementation will follow a similar process approach, engaging stakeholders in the learn-by-doing activities, which will strengthen the buy-in of stakeholders in the project outputs. Product-based approaches will include the physical reports prepared by stakeholders (with expert input) on integrated global environment-sustainable development policies.</i>
Promote regional approaches	<i>A regional approach is vital to the success of the project outcomes, given that significant environmental impacts arising from natural resource extraction, both water and energy resources. This project will include the testing through, through a learn-by-doing approach, of economic valuation of natural resource through the selection of a regional development intervention requiring review and approval by the appropriate planning and conservation authorities. This successful outcome of this project is also intended to demonstrate Kazakhstan's contribution as an important partner in the Green Bridge Partnership Programme that aims to catalyze the adoption of regional green growth policies.</i>

C.1.a Guidance from the Rio Conventions

73. The economic valuation of natural resources has increasingly gained significant interest and importance, more recently arising from the economic losses attributed to the impacts of climate change, land degradation and in a more in direct way from the loss of globally significant biodiversity. All three Rio Conventions and their accompanying instruments contain specific directives calling on countries to do their share to address these impacts. In more recent years, behavioral changes have been found to be more effective by having a more clear understanding of the economic costs and opportunities arising from the conservation of these shared environmental goods and services.

74. With respect to the CBD, the Conference of the Parties at its Tenth session agreed on Decision X/7, which included a call for Parties to develop economic indicators of “biodiversity and ecosystem services and the benefits to people derived from these services.” The Nagoya Protocol on Access and Benefit-Sharing is indeed based on the principle that “the economic value of ecosystems and biodiversity and the fair and equitable sharing of this economic value with custodians of biodiversity are key incentives for the conservation of biological diversity and the sustainable use of its components.” Article 22, paragraph 5(c) of this protocol specifically calls for Parties to support measures for the “development and use of valuation methods.”

75. For desertification and drought, economic valuation is largely framed as a cost, with the Convention to Combat Desertification and Drought calling for Parties to “pay special attention to the socio-economic factors contributing to desertification processes” (Article 5). To this end, Article 16(c) calls for scientific and technical cooperation among Parties to support and develop “programmes and projects aimed at defining, conducting, assessing and financing the collection, analysis and exchange of data and information, including ... economic indicators.” Parties to the Convention have followed up on this call in the Ten Year Strategic Vision, which includes expected outcomes for improved knowledge on the impacts of economic incentives on desertification and drought.

76. The FCCC takes a similar perspective of the CCD in that climate change is most significant in terms of its economic costs. An important principle underlying the recommendations of the FCCC is that Article 10(e) of the Kyoto Protocol thus calls on all Parties to assess the adverse economic impacts of climate change (as well as adverse social and environmental impacts). More generally, the three Rio Conventions call for Parties to strengthen the underlying capacities deemed necessary to achieve sustainability of environmental programme outcomes. These are summarized in Table 3 below.

Table 3: Capacity development requirements of the Rio Conventions

Type of Capacity	Convention Requirements	FCCC	CBD	CCD
Stakeholder Engagement	Capacities of relevant individuals and organizations (resource users, owners, consumers, community and political leaders, private and public sector managers and experts) to engage proactively and constructively with one another to manage a global environmental issue.	Article 4 Article 6	Article 10 Article 13	Article 5 Article 9 Article 10 Article 19
Organizational Capacities	Capacities of individuals and organizations to plan and develop effective environmental policy and legislation, related strategies, and plans based on informed decision-making processes for global environmental management.	Article 4 Article 6	Article 8 Article 9 Article 16 Article 17	Article 4 Article 5 Article 13 Article 17 Article 18 Article 19

Type of Capacity	Convention Requirements	FCCC	CBD	CCD
<i>Environmental Governance</i>	Capacities of individuals and organizations to enact environmental policies or regulatory decisions, as well as plan and execute relevant sustainable global environmental management actions and solutions.	Article 4	Article 6 Article 14 Article 19 Article 22	Article 4 Article 5 Article 8 Article 9 Article 10
<i>Information Management and Knowledge</i>	Capacities of individuals and organizations to research, acquire, communicate, educate and make use of pertinent information to be able to diagnose and understand global environmental problems and potential solutions.	Article 4 Article 5	Article 12 Article 14 Article 17 Article 26	Article 9 Article 10 Article 16
<i>Monitoring and Evaluation</i>	Capacities in individuals and organizations to effectively monitor and evaluate project and/or programme achievements against expected results and to provide feedback for learning, adaptive management and suggesting adjustments to the course of action if necessary to conserve and preserve the global environment.	Article 4 Article 5	Article 7	Article 8 Article 11 Article 18

C.2 Project Design: GEF Alternative

77. The incremental approach to this project lays in the strengthening the assessment of proposed development policies, programmes and plans from a global perspective. That is, as Kazakhstan increasingly embarks on the use of new approaches that will showcase the Green Economy, new and additional GEF resources are being made available for undertaking and instituting an economic valuation of global environmental goods and services.

78. The strategic value of this project is that it is attached to the high political commitment of the Government, in particular the President of Kazakhstan, to pursue a Green Economy. This commitment is reflected in the Government's Green Economy Strategy and Action Plan, which will be implemented in three phases: 2013-2019; 2020-2030, and 2030-2050, the first phase of which was approved by Parliament in September 2013. Kazakhstan will host the International Exposition (Expo 2017) in June 2017, the central theme of which is innovative and practical energy solutions. The Government will use this as opportunity to showcase its lessons learned in pursuing green economy.

79. Government staff will already be engaged in training courses and assigned work to implement plans, projects and activities under the Green Economy Action Plan. This includes the Ministry of Environment and Water Resources that will be executing this CCCD project. GEF resources will be used to integrate a strong global environmental character into the development and testing of which includes important departments and staff that are responsible for making planning decisions. These departments will benefit from training on natural resource valuation as well as participate in the learn-by-doing application of natural resource valuation tools. The incremental approach of this project also resides in the institutionalization of stronger tools to value the global environment. As the Government proceeds with pursuing a Green Economy, a number of institutional, legislative and regulatory reforms will be necessary in order to adopt and mainstream new and innovative approaches and best practices. This project will help identify those approaches and practices that offer better economic values of the global environment that can be institutionalized at the same time within the appropriate management and decision-making structures and mechanisms.

C.2.a Project Rationale

80. This project is strategic in that Parliament recently approved a seven-year action plan for the country's pursuit of a Green Economy, which is the President of Kazakhstan's top priority goal. This project therefore enjoys significant political commitment and will to pursue the project's baseline. Through improved planning and decisions consistent with the principles of a Green Economy, sustainable development can increasingly take on a global environmental character. From an innovative perspective, valuing natural resources from a global environmental lens is not all the new. Global environmental values from a social and economic perspective already well-known, such as the loss of life after increased climatic events. Another example is the loss of productivity arising from land degradation. Opportunity costs are largely the manner in which the global environment needs further valuation. At present, the value of global environmental goods and services are calculated using net present value that inherently discounts their true importance. This includes the provision of clean water and clean air by wetlands and forests, respectively. Natural resources are generally valued according to their present economic value, such as forests for the timber it provides as a marketable commodity.

81. The transformative value of the project is significant. If best practices and innovative approaches that integrate the global environment into green economy are successful, this project can contribute to a large-scale transformation of Kazakhstan's economy to one that is truly sustainable. The activities of the private sector will be better enabled through the government's Green Economy screening processes to reduce their negative impact on the global environment. Given that the global environment is largely at risk from development choices, this project, if successful, could help transform Kazakhstan's approach to economic development to one that is truly environmentally sound and sustainable from a global environmental perspective.

82. In addition to the three Rio Conventions, an important international environmental treaty to which this project will respond is the Espoo Convention (Convention on environmental impact assessment in a transboundary context). This convention calls for undertaking EIAs at the early stages of planning in order to prevent, reduce, and control the adverse transboundary environmental impact and ensure ecologically sound and sustainable development. Kazakhstan signed the convention on 25 February 1991, which subsequently entered into force on 10 October 1997. Depending on the final choice of the high value development project with which to test natural resource valuation, this CCCD project could also inform best practices for operationalizing the Strategic Environmental Assessments from a global environmental perspective. Consultations during the project development phase suggested that the pilot component of the project be sector-focused, and not regional-focused. Consultations also suggested consideration be given to developing an indicator of green technology, and more generally aimed at the industrial sector.

83. The Aarhus Convention (on access to information, public participation in decision-making, and access to justice in environmental matters) was signed by Kazakhstan on 24 June 1998, with the convention entering into force on 30 October 2001. This CCCD project will also contribute to this convention's objective in that the legitimacy and sustainability of Green Economy approaches and decisions can be ensured through public participation. Part of the project's strategic approach is to strengthen the appropriate mechanism or mechanisms to allow public input in the decision-making process of proposed developments. As a result, this requires sensitization by a broader set of stakeholders on the importance of natural resource valuation.

C.2.b Project Goal and Objective

84. The goal of this project is to put in place new approaches that will facilitate better development decisions for the global environment. To that end, the project objective will undertake a targeted set of activities to develop technical and institutional capacities for undertaking an economic valuation of global environmental goods and services as potentially impacted by proposed development policies, programmes, plans and projects. Specifically, the project will develop natural resource valuation tools for valuing global environmental benefits; provide training and learn-by-doing exercises on their use; and help institutionalize natural resource valuation. The expected outcomes of this project are: 1) Decisions to protect the global

environment are better enabled and, 2) Technical and management staff sufficiently trained in the use and application of natural resource valuation tools, and decision-makers fully aware of natural resource valuation tools.

C.2.c Expected Outcomes

85. At the end of the project, the project will have resulted in improved capacities for meeting global environmental priorities.

Component 1: Development of natural resource valuation tools.

Component 2: Institutionalizing natural resource valuation tools.

C.2.d Project Components, Outputs and Activities

86. This project is structured into two inter-linked components. The first component focuses on the development of the natural resource valuation tools and providing training on how to use these tools for improved planning and decisions to meet global environmental objectives. The second component focuses on the institutionalization of natural resource valuation to ensure that they continue to be used over the long-term. Activities under this component will include testing the use of natural resource valuation tools and facilitating the legislative and institutional reforms necessary for their long-term use.

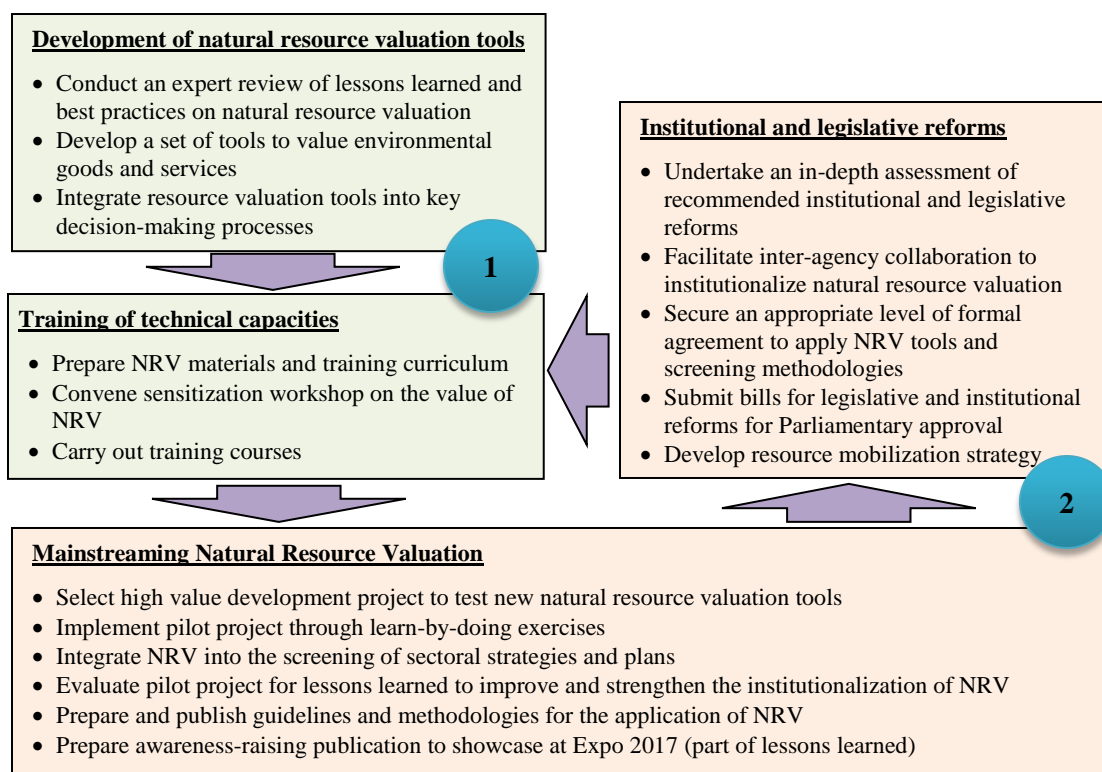


Figure 1: Project design

Component 1: Development and application of natural resource valuation

87. This component focuses on the development of a set of natural resource valuation tools that will be calibrated to the three Rio Conventions. These include an economic assessment of Kazakhstan's ecosystem functions and services, natural resource commodities, as well as the opportunity cost of environmental damage arising from land degradation, among others. Through a learn-by-doing approach government staff and other stakeholders will utilize a variety of tools and methodologies to undertake the valuation of natural

resources. These activities will be followed by training on how to integrate natural resource valuation into government planning and development frameworks. Particular attention will be given to ensuring an adequate level of gender balance in all workshops and training exercises, in keeping with UNDP's 2013-2017 Strategic Plan to meet gender equality objectives.

Output 1.1: Development of natural resource valuation tools

- 1.1.1 Conduct an expert review of lessons learned and best practices on natural resource valuation. A study will be commissioned to identify best practices from around the world that could be replicated in Kazakhstan. This study will be peer-reviewed by expert working groups (1.1.2) and finalized through a validation workshop.

Target indicator: Prepare draft report of lessons learned and best practices for natural resource valuation by month 4

Target indicator: Draft report peer-reviewed by expert working group and finalized by month 5

Target indicator: Final report rated as high quality⁴

Target indicator: Key findings presented at validation workshop by month 5

- 1.1.2 Based on the results of 1.1.1, develop a set of tools to value environmental goods and services within the context of Kazakhstan. Three expert working groups will be convened, one for each Rio Convention (Biodiversity, Land Degradation, and Climate Change), and working groups will be tasked with developing natural resource valuation tools relevant to their respective focal areas. Modify these, as appropriate, based on the lessons learned from pilot activity (2.1.3).

Target indicator: Expert working groups convened by month 3

Target indicator: Natural resource valuation tools developed for use in Kazakhstan and peer-reviewed by month 7

Target indicator: Valuation tools officially endorsed by Government of Kazakhstan by month 9

Target indicator: Expert working groups meet following successful completion of piloting project (2.1.2) to revise tools based on lessons learned and best practices. Tools are revised, as appropriate, during the piloting phase in year 2, and finalized for replication post-project by month 30.

- 1.1.3 Integrate resource valuation tools into key decision-making processes. Conduct consultations with decision-makers and secure agreements to formally include natural resource valuation in relevant decision-making processes, in particular as part of the training requirements for staff involved in the development and review of sectoral policies, programmes, and/or projects.

Target indicator: On-going consultations senior-level decision-makers in line ministries

Target indicator: Agreement among state agencies to formally include natural resource valuation into decision-making processes signed by relevant parties by month 12

Output 1.2 Training of technical capacities

- 1.2.1 Prepare NRV materials and training curriculum. Building upon NRV tools prepared under 1.1.2, develop a comprehensive set of materials as well as a robust training course on natural resource valuation. Modify these, as appropriate, based on the lessons learned from piloting project in activity 2.1.2.

Target indicator: Training materials and curriculum for NRV developed and peer-reviewed by expert working groups by month 12

Target indicator: Training materials and curriculum rated as high-quality

⁴ Ratings will be based on a set of at least 12 quality criteria.

Target indicator: Training materials and curriculum revised following successful completion of pilot project (2.1.2) by month 24, and again by month 30 based on project lessons learned of NRV mainstreaming (2.1.4) and recommended institutional and legislative reforms (2.2.2)

- 1.2.2 Convene sensitization workshops on the value of natural resource valuation. Half-day sensitization workshops will be carried to target all government staff and other stakeholders, in particular senior government decision-makers, private sector and NGOs, on the importance of natural resource valuation.

Target indicator: At least six sensitization workshops held, the first by month 9 and the last by month 30

Target indicator: A total of at least 150 different stakeholders, which will include at least 50 senior decision-makers and planners, will have participated in the workshops.

- 1.2.3 Carry out training courses on the use of natural resource valuation as part of the screening and environment impact assessment processes. Tests will be taken at the beginning and at the end of the course in order to assess capacities developed.

Target indicator: Training courses begin by month 13. By the end of the project, all government staff that with responsibilities relevant to natural resource valuation will have participated in the training courses. A minimum of 200 government staff will have participated in training courses, with the average score of all attendees no lower than 80%. Training courses end by month 16.

Component 2: Institutionalizing natural resource valuation

88. Whereas the first component focuses on developing and providing training on the use of natural resource valuation for the global environment, Component 2 focuses on the institutionalization of these capacities. This will be achieved through the learn-by-doing piloting of natural resource valuation within a specific high-value development project for a particular sector. In addition to engaging as many people as possible in the sensitization and training activities (output 1.2) and the learn-by-doing exercises (output 2.1), the institutionalization of natural resource valuation may necessitate key legislative and institutional reforms. Under this component, the project will draft the necessary bills for parliamentary approval. Since there is the possibility that these reforms may not be approved or instituted during the project implementation period, the project will secure an appropriate level of formal agreement for inter-agency and stakeholder collaboration to use natural resource valuation (1.1.3).

Output 2.1: Mainstreaming Natural Resource Valuation

- 2.1.1 Select *one* high-value development project to test new natural resource valuation tools. Criteria should first be agreed to by the Project Board and other key government decision-makers. Once the criteria are agreed to and approved, convene a stakeholder workshop that includes representatives from the private sector and NGOs to select a development project for natural resource valuation testing.

Target indicator: Criteria for project approved by Project Board by month 14

Target indicator: Convene stakeholder workshop with at least 50 representatives from the private sector and NGOs by month 16

Target indicator: High-value development project for NRV piloting selected by month 17

- 2.1.2 Apply natural resource valuation tools to the selected pilot development project. A series of workshops will be convened to evaluate the pilot project through learn-by-doing exercises. This exercise should involve all government staff and key stakeholder representatives that have a current role and responsibility in screening and environmental impact assessment processes. Particular attention should be given to using these workshops as part of career development for staff.

Target indicator: Convene six workshops and related exercises with at least 100 key staff and stakeholder representatives by month 22

Target indicator: Collect feedback surveys from participants on training effectiveness, 90% response rate for each workshop for analysis in 2.1.3 by month 22

- 2.1.3 Evaluate pilot project for lessons learned to improve and strengthen the institutionalization of natural resource valuation. This activity serves an important function of feedback for the improvement of the natural resource valuation tools and the training courses. This activity includes the preparation of an awareness-raising publication to showcase the project at Expo 2017.

Target indicator: Conduct statistical analysis of workshop evaluations by month 23

Target indicator: Compile survey results and lessons learned from workshop proceedings into best practices report drafted by month 24, peer-reviewed by month 26, and finalized for publication by month 28

Target indicator: Best practices and lessons learned report compiled into awareness-raising brochure with 500 printed copies available for distribution at Expo 2017

- 2.1.4 Institutionalize natural resource valuation into the screening of sectoral strategies and plans. Building on the lessons learned of 2.1.3 and the appropriate modifications of the tools (1.1.2) and the training materials and courses (1.2.1) convene teams of government staff and key representatives in two-day workshops to learn how to apply natural resource valuation tools as initial screening process of sectoral strategies and plans.

Targeted indicators: Organize and convene five (5) sectoral screening workshops with participation of at least 250 key government staff and representatives by month 30

- 2.1.5 Prepare and publish guidelines and methodologies for the application of natural resource valuation. These publications will be circulated and made available for use by all government staff, as well as for other stakeholders, in particular the private sector and those preparing development policies, plans, programmes, and projects subject to the screening process and environmental impact assessment. Amendments and/or revisions will be prepared at the end of the project based on the lessons learned of 2.1.3.

Target indicator: Guidelines and methodologies drafted by month 28, peer-reviewed and finalized for publication by month 31

Target indicator: Guidelines and methodologies are rated as high-quality and officially endorsed by the Government by month 32

Output 2.2: Legislative and institutional reforms

- 2.2.1 Undertake an in-depth assessment of recommended institutional and legislative reforms. Based on the expert review of natural resource valuation tools of 1.1.1 and building on the lessons learned of 2.1.3, this in-depth assessment will form the basis of governance reforms necessary to institutionalize the use of natural resource valuation.

Target indicator: Institutional and legislative analysis drafted based on expert review (1.1.1) by month 9

Target indicator: Lessons learned from activity 2.1.3 incorporated into assessment by month 26

Target indicator: Assessment is peer-reviewed and ready for publication by month 28

- 2.2.2 Facilitate inter-agency collaboration to institutionalize natural resource valuation. The three expert working groups established under 1.1.3 will also meet to address the institutional and regulatory requirements necessary to use natural resource valuation tools. This team will validate the independent expert analysis of 2.2.1, as well as organize their respective staffs and other key stakeholder representatives to initiate internal processes to begin the priority reforms. This will

include the signing of an appropriate level of formal agreement to apply natural resource valuation tools and screening methodologies (1.1.3).

Target indicator: Expert working group reviews and validates the expert analysis of the institutionalization of NRV by month 12

Target indicator: Team meets three times in Year 2 for updates on project activities and progress reports on status of priority reforms to internal processes

Target indicator: Team meets to validate institutional and legislative assessment (2.2.1) by month 30

- 2.2.3 Prepare and submit bills (or some other draft legislative text, as appropriate) for institutional and legislative reforms in support of natural resource valuation. The relevant government departments will draft bills of the recommended institutional and legislative reforms to institutionalize natural resource valuation for Parliamentary approval. These bills will be reviewed and approved by the inter-agency collaborative teams and validated by stakeholder validation workshops.

Target indicator: Bills or appropriate draft text for institutional and legislative reforms drafted by month 30, peer-reviewed, validated, and submitted for Parliamentary approval by month 33

- 2.2.4 Within the context of Kazakhstan 2050, develop a resource mobilization strategy to take a comprehensive look at what is needed to ensure that the use of natural resource valuation will be carried out over the long-term. This plan will be informed by best practices and lessons learned from other similar national environmental funds, including activities 1.1.1 and 2.2.1. Other budgetary allocations and revenue streams that could ensure the long-term financial needs of natural resource valuation should be explored and a plan developed to access these resources. An expert working group will be convened to guide the collaborative formulation and peer-review of a resource mobilization strategy.

Target indicator: Convene expert working group by month 13

Target indicator: Draft resource mobilization strategy by month 21

Target indicator: Resource mobilization strategy includes good practices for raising and allocating funds to achieve global environmental targets through decentralized decision-making

Target indicator: Expert working group reviews and guides the revision and finalization of the resource mobilization strategy by month 25

Target indicator: Resource mobilization strategy approved by month 28

C.3 Sustainability and Replicability

C.3.a Sustainability

89. Natural resource valuation is a very specialized skill, situated within a highly technical field. The ability to use and interpret these models require highly trained expertise in order to apply and institutionalize these skills within those institutions where the existing skill set is not necessarily of the appropriate kind or level. Hence, there is a risk that those individuals responsible for EIAs may not be easily trainable in the full appreciation and interpretation of natural resource valuation tools, techniques and actuarial data.

90. For this reason, the project will secure specialized expertise that meets internationally accepted standards to review, develop and implement natural resource valuation tools, producing relevant and valid data in a form usable by decision-makers reviewing EIAs and development projects. Specialized expertise of this order will also be used to develop training modules to be offered to experts with necessary prerequisite training (i.e., financial, economic and accounting skills) who would be called upon to bid for contracts to undertake natural resource valuation for future EIAs. Once tested at least twice, this training

module would be further developed/refined and integrated among course offerings in at least three accredited academic institutions of higher learning. This activity serves to develop a national skill set in natural resource valuation tools, reducing the risks that these skills must be secured from overseas over the long-term.

91. By developing a cadre of local expertise in the use of natural resource valuation, the real cost of expertise will be significantly lower. However, there is a risk that the remaining transaction costs could be significantly if project proponents and decision-makers merely see the use of these tools as additional burden of the review and approval process. Furthermore, if the capacities of the MEWR and other ministries and state agencies that are developed under the project are not supported through government investments (e.g., the allocation of revenues generated from EIA enforcement and compliance should be directed towards maintaining the human and institutional capacities responsible for EIAs), then there is a risk that the project will revert to the business-as-usual scenario upon termination. This will be addressed by the requirement to convene regular Project Board meetings the members that are senior level representatives of key agencies and able to champion the positive outcomes of the project are lead institutional reforms within their respective agencies.

C.3.b Replicability and Lessons Learned

92. The replicability of this project is inherent in its design. Given the learn-by-doing approach to the development and institutionalization of natural resource valuation tools and their application through a pilot project, the replication value of the project is high. With the expected outcome of a more complete assessment and design of development and conservation interventions that better reflect Rio Convention obligations and that also showcase good practices of a Green Economy (e.g., at Expo 2017), this project bodes well for being replicated for other similar planned investments and interventions in Kazakhstan. Further strengthening the replication value is the role of the Green Bridge Partnership Programme, which will be an additional conduit for promoting the project's lessons learned. These opportunities to facilitate project replication are included in the project design, in particular activities 2.1.3. Lessons learned under the project will be used: to improve training materials (activity 1.2.1); institutionalize natural resource valuation into the screening of sectoral strategies and plans (activity 2.1.4) and associated guidelines and methodologies (activity 2.1.5); inform recommended institutional and legislative reforms (activity 2.2.1); and new and improved approaches for resource mobilization (activity 2.2.4).

C.3.c Risks and Assumptions

93. There are a number of risks associated with the design of this project. One such risk is that government agencies may see natural resource valuation as an additional burden in the review and approval of plans, programmes, and projects. However, given the high political priority given to the pursuit of the Green Economy by the President, this is considered only a moderate risk. The assumption being made here is that this political directive trickles down to the strong mandate of the government state agencies to actively engage in this CCCD project as a means to implement the Green Economy strategy. The risk remains moderate because other non-state stakeholders must also support the development and use of natural resource valuation as a means to improve sectoral development plans and catalyst for the pursuit of a Green Economy.

94. To minimize this risk, early consultations and negotiated agreements under the project are intended to ensure that key partners and other stakeholders are fully invested in the project strategy, objective and activities. Partners and stakeholder representatives will be consulted regularly and early during the tasking of each project activity, as appropriate, following the principles of adaptive collaborative management. This will be particularly important when natural resource valuation is being piloted under activity 2.1.1.

95. Project activities were strategically designed to allow decision-makers and planners to take a carefully structured approach to developing, testing and institutionalize natural resource valuation in a way that complements and catalyzes implementation of both the Green Economy as well as the Rio Conventions. There is an assumption that project partners and stakeholders will continue to accept the

project strategy of being targeted and not to extend this project into a research exercise. Importantly, this project serves to being the testing and application of new and improved tools for valuing natural resources and effectively integrating these into effective decision-making for the global environment. For this reason, the project includes activities to regularly engage stakeholders in dialogues to maintain a shared understanding of the project's boundaries.

96. In this respect, another assumption being made is that there are a sufficient number of stakeholders that will remain as project champions throughout project implementation, and that includes representative that will be selected as member of the Project Board.

97. A key outcome indicator of the project's success will be an appropriate formal agreement of activity 1.1.3 that will call upon state agencies to apply natural resource valuation and improved screening methodologies in their planning and decision-making processes, in particular sectoral agencies. Other process and performance indicators include the large numbers of government and non-state representatives that will have participated in the awareness-raising dialogues and workshops (e.g., 1.2.2) as well as the learn-by-doing exercises on the application of natural resource valuation (e.g., 1.2.3 and 2.1.2).

98. Natural resource valuation is a very specialized skill, situated within a technical field. The ability to use and interpret these models require trained expertise in order to embed these skills within those institutions where the existing skill set is not necessarily of the appropriate kind or level. Hence, there is a risk that those individuals responsible for EIAs may not be easily trainable in the full appreciation and interpretation of natural resource valuation tools, techniques and actuarial data. However, this risk is low as there many skilled stakeholders in Kazakhstan that work in and out of government that have the minimum level of training, including high quality research being undertaken by a number of non-state organizations and in academia.

99. One of the issues raised during project development was the challenge of taking a learn-by-doing approach, with certain representatives calling for a more traditional passive learning through the use of national and international experts. There are 11 regional information and training centers of the Ministry of Agriculture that can be used as a basis for the project's educational component, if needed. International expertise on best practice on natural resource valuation was advised. While a number of stakeholder representatives consulted expressed interest in the overseas study tours, the limited project funds do not allow for this as part of the design. International expertise would have to be contracted for specific training workshops.

C.4 Stakeholder Involvement

100. This project began as an interest through the Ministry of Finance, followed by other ministries, including the Ministry of Economy, Ministry of Environment and Water Resources, Ministry of Agriculture, and Ministry of Regional Development, among other government bodies. Extensive consultations were undertaken with these representatives towards the formulation of the project to ensure that the design is strategic and fits with their overall policies and mandates. The championship of the project comes from the highest level of the President of Kazakhstan, who is committed to the Green Economy as an issue of national security.

101. The Green Academy is another important stakeholder consulted during the design of the project, which has significant experience and expertise on the development of green economy and sustainable development indicators.

102. The Ministry of Agriculture confirmed their support of this CCCD project given their commitment to support the implementation of the Green Economy, mainly through its Agribusiness 2020 policy and sectoral master plans for 16 regions of Kazakhstan. The Ministry of Regional Development is a critical stakeholder given the important regional development challenges. However, this ministry has significant organizational and capacity challenges, and for these reasons an important stakeholder beneficiary of capacity building under this project. The Ministry of Agriculture also expressed the need for a coordination mechanism that will include regional authorities (akimats) to ensure for better implementation

green economy policies.

103. Taking an adaptive and collaborative management approach to execution, the project will ensure that key stakeholder representatives are involved early and throughout project implementation as partners for development. This includes their participation in the Project Board, review of project outputs such as recommendations for amendments to policies, plans, programmes and legislation, as well as participation in monitoring activities.

C.5 Monitoring and Evaluation

104. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures. The project team and the UNDP Country Office (UNDP/CO) will undertake monitoring and evaluation activities, with support from UNDP/GEF, including by independent evaluators in the case of the final evaluation. The logical framework matrix in Annex 4 provides a logical structure for monitoring project performance and delivery using SMART indicators during project implementation. The output budget and the work plan in the UNDP project document provide additional information for the allocation of funds, both the GEF and co-financing, for expected project deliverables and the timing of project activities to produce these deliverables. Annex 10 provides a breakdown of the total GEF budget by outcome, project management costs, and allocated disbursements on a per year basis. A GEF tracking tool for CCCD will be used as part of monitoring and evaluation activities to assess project delivery. The work plan is provisional, and is to be reviewed during the first project board and endorsed at the project initiation workshop.

105. The following sections outline the principle components of monitoring and evaluation. The project's monitoring and evaluation approach will be discussed during the project's initiation report so as to fine-tune indicators and means of verification, as well as an explanation and full definition of project staff M&E responsibilities.

106. A project initiation workshop will be conducted with the full project team, National Project Director, relevant government counterparts, co-financing partners, the UNDP/CO, with representation from the UNDP/GEF Regional Coordinating Unit as appropriate. Non-governmental stakeholders should be represented at this workshop.

107. A fundamental objective of this initiation workshop will be to further instill and understanding and ownership of the project's goals and objectives among the project team, government and other stakeholder groups. The workshop also serves to finalize preparation of the project's first annual work plan on the basis of the project's log-frame matrix. This will include reviewing the log frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalize the Annual Work Plan with precise and measurable performance (process and output) indicators, and in a manner consistent with the expected outcomes for the project.

108. Specifically, the project initiation workshop will: (i) introduce project staff to the UNDP/GEF expanded team that will support the project during its implementation, namely the Country Office (CO) and responsible Project Management Unit⁵ (PMU) staff; (ii) detail the roles, support services and complementary responsibilities of UNDP/CO and PMU staff with respect to the project team; (iii) provide a detailed overview of UNDP/GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the combined Annual Project Reports - Project Implementation Reviews (APR/PIRs), Project Board meetings, as well as the final evaluation. The initiation workshop will also provide an opportunity to inform the project team on UNDP project-related budgetary planning, budget reviews, and mandatory budget re-phasing.

109. The initiation workshop will also provide an opportunity for all parties to understand their roles,

⁵ The Project Management Unit will be an administrative extension of the MEWR.

functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for PMU staff and associated decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

110. The initiation workshop will present a schedule of M&E-related meetings and reports. The Project Manager in consultation with UNDP will develop this schedule, and will include: (i) tentative time frames for Project Board meetings, and the timing of near-term project activities, such as the in-depth review of literature on natural resource valuation; and (ii) project-related monitoring and evaluation activities. The provisional work plan will be approved in the first meeting of the Project Board.

111. Day-to-day monitoring of implementation progress will be the responsibility of the Project Manager based on the project's Annual Work Plan and its indicators. The Project Manager will inform the UNDP/CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

112. The Project Manager will fine-tune outcome and performance indicators in consultation with the full project team at the initiation workshop, with support from UNDP/CO and assisted by the UNDP/GEF. Specific targets for the first year implementation performance indicators, together with their means of verification, will be developed at the initiation workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the Project Team, and agreed with the Ministry of Environment and Water Resources, among other key project partners sitting on the Project Board.

113. Periodic monitoring of implementation progress will be undertaken by the UNDP/CO through the provision of quarterly reports from the Project Manager. Furthermore, specific meetings may be scheduled between the PMU, the UNDP/CO and other pertinent stakeholders as deemed appropriate and relevant (particularly the Project Board members). Such meetings will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

114. Annual Monitoring will occur through the Annual Project Board meeting. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Project Board meetings at least twice per year. The first such meeting will be held within the first twelve months following the initiation workshop. For each year-end meeting of the Project Board, the Project Manager will prepare harmonized Annual Project Report / Project Implementation Reviews (APR/PIR) and submit it to UNDP/CO, the UNDP/GEF Regional Coordination Unit, and all Project Board members at least two weeks prior to the meeting for review and comments.

115. The APR/PIR will be used as one of the basic documents for discussions in the Project Board year-end meeting. The Project Manager will present the APR/PIR to the Project Board members, highlighting policy issues and recommendations for the decision of the Committee participants. The Project Manager will also inform the participants of any agreement(s) reached by stakeholders during the APR/PIR preparation, on how to resolve operational issues. Separate reviews of each project output may also be conducted, as necessary. Details regarding the requirements and conduct of the APR and Project Board meetings are contained with the M & E Information Kit available through UNDP/GEF.

116. The terminal review meeting is held by the PB, with invitation to other relevant Government and municipal stakeholders as necessary, in the last month of project operations. The Project Manager is responsible for preparing the terminal review report and submitting it to UNDP/COs, the UNDP/GEF Regional Coordinating Unit, and all participants of the terminal review meeting. The terminal review report will be drafted at least one month in advance of the terminal review meeting, in order to allow for timely review and to serve as the basis for discussion. The terminal review report considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its

stated objectives and contributed to the broader environmental objective. The report also decides whether any actions remain necessary, particularly in relation to the sustainability of project outputs and outcomes, and acts as a vehicle through that lessons learned can be captured to feed into other projects under implementation or formulation. The terminal review meeting should refer to the independent final evaluation report, conclusions and recommendations as appropriate.

117. The UNDP/CO, in consultation with the UNDP/GEF Regional Coordinator and members of the Project Board, has the authority to suspend disbursement if project performance benchmarks are not met as per delivery rates, and qualitative assessments of achievements of outputs.

118. A project initiation report will be prepared immediately following the initiation workshop. This report will include a detailed First Year Work Plan divided in quarterly time-frames as well as detailed activities and performance indicators that will guide project implementation (over the course of the first year). This Work Plan will include the proposed dates for any visits and/or support missions from the UNDP/CO, the UNDP/GEF Regional Coordinating Unit, or consultants, as well as time-frames for meetings of the project decision-making structures (e.g., Project Board). The report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months' time-frame.

119. The initiation report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation, including any unforeseen or newly arisen constraints. When finalized, the report will be circulated to project counterparts who will be given a period of one calendar month in that to respond with comments or queries.

120. The combined Annual Project Report (APR) and Project Implementation Review (PIR) is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. As a self-assessment report by project management to the Country Office, the APR/PIR is a key input to the year-end Project Board meetings. The PIR is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from on-going projects. These two reporting requirements are very similar in input, purpose and timing that they have now been amalgamated into a single APR/PIR Report.

121. An APR/PIR is to be prepared on an annual basis by June, but well in advance (at least one month) in order to be considered at the Project Board meeting. The purpose of the APR/PIR is to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The APR/PIR is discussed by the PB, so that the resultant report represents a document that has been agreed upon by all of the key stakeholders.

122. A standard format/template for the APR/PIR is provided by UNDP/GEF. This includes the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

123. UNDP will analyze the individual APR/PIRs by focal area, theme and region for common

issues/results and lessons. The APR/PIRs are also valuable for the independent evaluators who can utilize them to identify any changes in the project's structure, indicators, work plan, among others, and view a past history of delivery and assessment.

124. Quarterly Progress Reports are short reports outlining the main updates in project performance, and are to be provided quarterly to the UNDP Country Office. UNDP/CO will provide guidelines for the preparation of these reports, which will be shared with the UNDP/GEF RCU.

125. During the last three months of the project, the PMU will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the project, lessons learned, the extent to which objectives have been met, structures and mechanisms implemented, capacities developed, among others. Together with the independent final evaluation, the project terminal report is one of two definitive statements of the project's activities during its lifetime. The project terminal report will also recommend further steps, if necessary, in order to ensure sustainability and replicability of the project outcomes and outputs.

126. An independent final evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on: a) the cost-effectiveness, efficiency and timeliness of project implementation and performance; b) highlight issues requiring decisions and actions; and c) present initial lessons learned about project design, implementation and management. Findings of this evaluation will be incorporated as lessons learned, and recommendations for improvement addressed to ensure the institutional sustainability of project outputs, particular for the replication of project activities. The final evaluation will also look at project outcomes and their sustainability. The final evaluation should also provide recommendations for follow-up activities, as appropriate. The terms of reference for the final evaluation will be prepared by the UNDP/CO based on guidance from the UNDP/GEF Regional Coordinating Unit, in consultation with MEWR.

127. Per established UNDP financial reporting procedures, the Project Manager will provide periodic financial statements for approval and certification to UNDP and Government of KZ. The audit will be conducted by the legally recognized auditor of UNDP Kazakhstan. Audit on project will follow UNDP Financial Regulations and Rules and applicable Audit policies.

128. Learning and knowledge sharing: Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

129. Communications and visibility requirements: Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at:

http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf.

Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in

project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

M& E workplan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> Project Manager UNDP CO, UNDP GEF 	Indicative cost: 10,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> Oversight by Project Manager Project team 	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> Project manager and team UNDP CO UNDP RTA UNDP EEG 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> Project manager and team 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> Project manager and team UNDP CO UNDP RCU External Consultants (i.e. evaluation team) 	None	Not required for MSPs.
Final Evaluation	<ul style="list-style-type: none"> Project manager and team, UNDP CO UNDP RCU External Consultants (i.e. evaluation team) 	Indicative cost : 23,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> Project manager and team UNDP CO local consultant 	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> UNDP CO Project manager and team 	Indicative cost: 2,000	Yearly
Visits to field sites	<ul style="list-style-type: none"> UNDP CO UNDP RCU (as appropriate) Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 35,000 (+/- 5% of total budget)	

D. Financing

D.1 Financing Plan

130. The financing of this project will be provided by the GEF, with co-financing from the Government of

Kazakhstan and parallel co-financing from UNDP. The allocation of these sources of finances is structured by the two main project components, as described in section C.2.b above. Table 5 below details this allocation.

Table 5: Project Costs (US\$)

Total Project Budget by Component	GEF (US\$)	Co-Financing (US\$)	Project Total (US\$)
Component 1	210,000	246,000	456,000
Component 2:	249,000	351,000	600,000
Project Management	41,000	53,000	94,000
Total project costs	500,000	650,000	1,150,000

Table 6: Estimated Project management budget/cost (estimated cost for the entire project)*

Budget Line	Estimated Staff weeks	GEF (US\$)	Co-Financing UNDP (US\$)	Co-Financing Gov't (US\$)	Project Total (US\$)
Locally recruited personnel: Project Manager (1)	80	0	24,000	0	24,000
Locally recruited personnel: Project Assistant (2)	90	18,000	0	0	18,000
Internationally recruited consultant (3)	3	10,000	0	10,000	20,000
Office facilities and communications (4)		1,000	0	14,000	15,000
Travel (4)		5,000	0	5,000	10,000
Professional services (5)		2,000	0	0	2,000
UNDP cost recovery charges – Bills (6)		5,000	0	0	5,000
Total project management cost		41,000	24,000	29,000	94,000

*Local and international consultants in this table are those who are hired for functions related to the management of project. Please see Table 7 below for consultants providing technical assistance for special services.

- (1) This is a part-time Project Manager from the “Support to the Government of Kazakhstan for Implementation of the Green Economy Concept”
- (2) UNDP will recruit a part-time Project Assistant to support the Project Manager
- (3) This is the fee for the international evaluation consultant
- (4) The Project Management Unit will be housed within MEWR, with some communication support from UNDP
- (5) Audit services will be carried out per UNDP policies and procedures
- (6) This is the assessment of the recovery of charges for services provided by the UNDP country office to the national implementing partners for administrative, financial, HR, procurement and ICT services, related to implementation of this budget, as per the Standard Letter of Agreement on Direct Project Costs. See Annex 12.

131. An internationally recruited consultant will be contracted to undertake the independent final evaluation towards the end of the project. The travel budget includes the costs of DSA, terminal expenses, and return airfare for the international consultant. The travel budget also includes financing for to cover the cost of local consultant travel to the regions where they will be facilitating the negotiations and drafting of sectoral policy, programmes, plans, or legislation.

132. Given the technical nature of the project, and international consultant specialized in natural resource valuation will be recruited. An international technical specialist on cross-cutting capacity development will also be available to provide technical support as needed to ensure that the adaptive management of the project remains consistent with the GEF-6 CCCD strategy.

Table 7: Consultants for technical assistance components (estimated for entire project)*

Local Consultants	Estimated Staff weeks	GEF (US\$)	Co-Financing (US\$)	Project Total (US\$)
1. Public Administration Specialist	44	43,500	0	43,500
2. CBD Specialist	34	34,000	0	34,000
3. CCD Specialist	34	34,000	0	34,000
4. FCCC Specialist	34	34,000	0	34,000
5. Environmental Sociologist	32	32,000	0	32,000
6. Environmental Lawyer	22	22,000	0	22,000
International Consultants				
International Environmental Actuary Specialist	27	82,000	0	82,000
International Technical Specialist	7	10,000	0	10,000
Total		291,500	0	291,500

* Per GEF policy, no consultant recruited under a technical assistance component Terms of Reference can undertake project management functions

133. The Government of Kazakhstan has requested UNDP to provide a few execution services (including procurement and recruitment) under the National Implementation Modality, and these will be charged to the Project Budget per the agreement on the reimbursement of direct project costs (see Annex 12).

D.2 Cost Effectiveness

134. The cost-effectiveness of this project lies in the use of GEF funds to recruit consultants and to pay for those costs that are incremental to those project costs that can be borne through in-kind co-financing from the Government of Kazakhstan. Due to the limited amount of GEF funds available for project management, this project has leveraged significant co-financing from the Government to implement this project. Notwithstanding the nature of project management activities, these serve the dual purpose of institutionalizing the technical capacities that will be developed under the project through a learn-by-doing approach. This investment also ensures continued project ownership by the government.

135. An indicator of cost-effectiveness is the percentage of the GEF contribution allocated to project management (3%) and the total percentage of the project budget allocated to project management (7%). This cost-effectiveness will be possible due to complementing this project with the “Support to the Government of Kazakhstan for Implementation of the Green Economy Concept” project that UNDP is currently developed.

Table 8: Project Costs (%age)

Project Budget Component by Contribution Type	Contribution (US\$)	Percentage (%)
Component 1: GEF	210,000	18
Component 1: Co-Financing	246,000	21
Component 2: GEF	249,000	22
Component 2: Co-Financing	351,000	30
Project Management: GEF	41,000	4
Project Management: Co-Financing	53,000	5
Total	1,150,000	100

D.3 Co-financing

136. Co-financing to this project is provided by the Government of Kazakhstan to the order of US\$ 600,000, representing the commitment of the Government to assign staff (decision-makers and planners) time away from their regular work to actively participate in project activities. About

US\$ 386,500 of this estimated in-kind contribution is in fact real cash since it translates to the cost of the staff's salaries as well as the cost of meetings, workshops, and materials and supplies provided by the Government.

Table 9: Co-financing Sources

Name of Co-financier	Classification	Type	Amount	
			Confirmed (US\$)	Unconfirmed (US\$)
MEWR	Government	In-kind	600,000	0
UNDP	GEF Implementing Agency	In-kind	50,000	0
Total Co-financing			650,000	0

D.4 Total GEF Budget and Work Plan

Award ID:	TBD
Project ID:	TBD
Award Title:	Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements
Business Unit:	KAZ10
Project Title:	Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements
PIMS No:	5248
Implementing Partner:	MEWR

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	Budget Notes
COMPONENT 1: Development and application of national resource valuation	MEWR	62000	GEF	71300	Local Consultants	38,500	27,000	37,500	103,000	1
				71200	International consultants	13,500	17,500	20,000	51,000	2
				72100	Contractual services: Companies	15,500	20,500	20,000	56,000	3
					Total Outcome 1	67,500	65,000	77,500	210,000	
COMPONENT 2: Institutionalizing natural resource valuation	MEWR	62000	GEF	71300	Local Consultants	32,000	40,000	24,500	96,500	1
				71200	International consultants	9,000	20,500	11,500	41,000	2
				72100	Contractual services: Companies	12,500	52,000	47,000	111,500	3
					Total Outcome 2	53,500	112,500	83,000	249,000	

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	Budget Notes
Project Management	MEWR	62000	GEF	71200	International consultants	0	0	10,000	10,000	4
				71300	Local consultants	6,000	6,000	6,000	18,000	5
				73120	Office facilities and communications	500	500	0	1,000	6
				71600	Travel	0	0	5,000	5,000	7
				71400	Professional Services	500	500	1,000	2,000	8
				74599	UNDP cost recovery charges - Bills	2,000	1,500	1,500	5,000	9
					Total Project Management	9,000	8,500	23,500	41,000	
					Total	130,000	186,000	184,000	500,000	

Budget Notes

- 1 GEF financing for six (6) local specialists
- 2 GEF financing for the international environmental actuary specialist and international technical specialist
- 3 GEF financing for various contractual services, such as meeting expenses and publications
- 4 GEF will finance the cost of an international consultant to conduct terminal evaluation
- 5 GEF will finance a part-time Project Assistant
- 6 GEF financing will help cover the administrative and overhead costs of office management
- 7 GEF will finance the travel of an international consultant to conduct the terminal evaluation.
- 8 Audit fees
- 9 GEF will finance the cost of direct project services per Letter of Agreement with Government (Annex 12)

E. Institutional Coordination and Support

E.1 Core Commitments and Linkages

E.1.a Linkages to other activities and programmes

137. There are a number of development projects underway in Kazakhstan that help raise awareness and understanding of the importance of protecting the global environment. Given Kazakhstan's high middle income status, relatively few development partners are supporting on sustainable development. Two important development partners are European Commission and UNDP that are undertaking important projects in Kazakhstan and the Central Asia region that are strengthening individual capacities on a ranged of development approaches and skills. At the beginning of CCCD project implementation, the Project Manager will review the status of programmes and projects currently underway and map out a plan to coordinate project activities to develop synergies and minimize duplication towards strengthening development resilience.

138. The GEF is an important development partner in Kazakhstan, financing multiple projects that are helping the country to meet Rio Convention obligations, with implementation support from UNDP. One such full-sized project is "Nationally Appropriate Mitigation Actions for Low-carbon Urban Development" that was approved by the GEF Council in June 2013. Another relevant full-sized project that received full CEO approval in July 2013 is titled "Improving Sustainability of Protected Area System in Desert Ecosystems through Promotion of Biodiversity-compatible Livelihoods in and around Protected Areas". This project will be executed by the Forestry and Hunting Committee of the Ministry of Agriculture in order to expand the protected areas in Kazakhstan and promote a more holistic landscape approach. There is also a GEF enabling activity under the UNCCD that will also be executed by the MEWR: "Mobilizing Support to the National Action Plan Alignment and UNCCD Reporting and Review Process". This project was approved by the GEF CEO in February 2013.

139. In February 2014, the GEF approved the PIF for a medium-sized project titled "Supporting Sustainable Land Management in Steppe and Semi-arid Zones through Integrated Territorial Planning and Agro-environmental Incentives". Even more recently in May 2014, GEF gave final approval to go ahead with a project to assist Kazakhstan in the preparation of its Biennial Report and National Communication to the UNFCCC.

140. USAID has also worked with the Government of Kazakhstan to help the country address sustainability issues in the country. For example, USAID recently partnered with the Executive Committee for the International Fund for Saving the Aral Sea⁶ to develop an economic model for policy-makers to evaluate water resource management trade-offs.

141. GIZ also has a number of projects in Kazakhstan that are related to the project and attempt to improve natural resource management in the Central Asia region for improved global environment benefits. Because many of the environmental challenges are transboundary by nature, the majority of these projects emphasize collaboration between Kazakhstan and its neighbors, namely: Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Such projects include:

- Adapting to Climate Change through Sustainable Management of Resources and Cross-Border Cooperation on Disaster Prevention in Central Asia
- Programme for the sustainable use of natural resources in Central Asia

⁶ The Fund was founded by Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan to address the ecological, social and economic problems of the Central Asian states. The chairman of the Executive Committee rotates between the countries, and Kazakhstan held the previous chairmanship between 2010 and 2013.

- Sustainable pasture management in Central Asia
- Transboundary water management in Central Asia

142. Another key programme is the European Commission's Regional Environment Programme for Central Asia that is scheduled to run for the 2012-2015 period. This programme seeks to enhance regional cooperation and collaboration with regard to integrated natural resource management. The programme has four key components: 1) Regional cooperation on environment and water, 2) Forest and biodiversity governance including monitoring, 3) Partnership of water management and basin organizations, and 4) Environmental awareness-raising.

143. The EU and OECD are jointly managing the "Supporting Kazakhstan's transition to a Green Economy Model" project that seeks to improve water resource management in Kazakhstan as well to modernize the environmental governance system in order to more easily transition to a Green Economy model. An important part of this project will be to pilot actions related to the Green Economy at local and levels in order to demonstrate value and improve awareness and capacities of local stakeholders regarding the Green Economy. The project will be implemented over 48 months with an estimated total cost of €9.3 million. UNDP is currently developing a project "Support to the Government of Kazakhstan for Implementation of the Green Economy Concept" under this programme that is complementary to the technical assistance activities of the CCCD project, and which will also provide in-kind project management support. Descriptions of other related, on-going projects in Kazakhstan can be found in Annex 9.

E.2 Implementation and Execution Arrangements

144. UNDP is the GEF Implementing Agency for this project, with the UNDP Country Office responsible for transparent practices, appropriate conduct and professional auditing. The project will be nationally executed under the National Implementation Modality⁷ by the Ministry of Environment and Water Resources (MEWR) that will act as the executing agency, now termed "Implementing Partner". The Ministry of Environment and Water Resources will assign a National Project Director (NPD) and provide its staff and network of experts as support to Project Management Unit (as part of government co-financing).

145. This project represents a contribution to the fulfilment of Kazakhstan's 2010-2015 UN Development Assistance Framework, in particular Development Outcome 2 on Environmental Sustainability. This outcome calls for "communities, national, and local authorities [to] use more effective mechanisms and partnerships that promote environmental sustainability" (UNDAF, 2009:15). Among the UNDAF priorities is the development of integrated services to bridge the gap between competitive industrial production and environmental concerns (UNDAF, 2009:17). The integration and application of natural resource valuation with particular emphasis of global environmental benefits is one such important mechanism. Kazakhstan's 2008 Country Analysis, prepared in fulfilment of the Common Country Assessment that analyzes the national development situation and identifies key development issues, determined that the "United Nations is well-placed to contribute to environmental sustainability in Kazakhstan, in a gender-sensitive manner" (UN, 2008:34).

⁷ In line with standing GEF and UNDP policies, the project will be nationally executed by the Government under the National Implementation Modality. The Government has key control functions related to all aspects of project leadership, management and implementation (e.g., provides the National Project Director, heads and manages the Steering Committee/Project Board, considers and approves key milestones within its jurisdiction – such as annual work plans, budgets, management responses to mid-term and final evaluations, participates in monitoring, etc., as further described in the Management Arrangements). At the same time, under the National Implementation Modality, UNDP can render direct project services on request of Governments. The Government of Kazakhstan has requested such services from UNDP since the national legislation does not allow for direct project execution of international technical assistance by Government entities.

146. The basic implementation and execution framework is as follows:

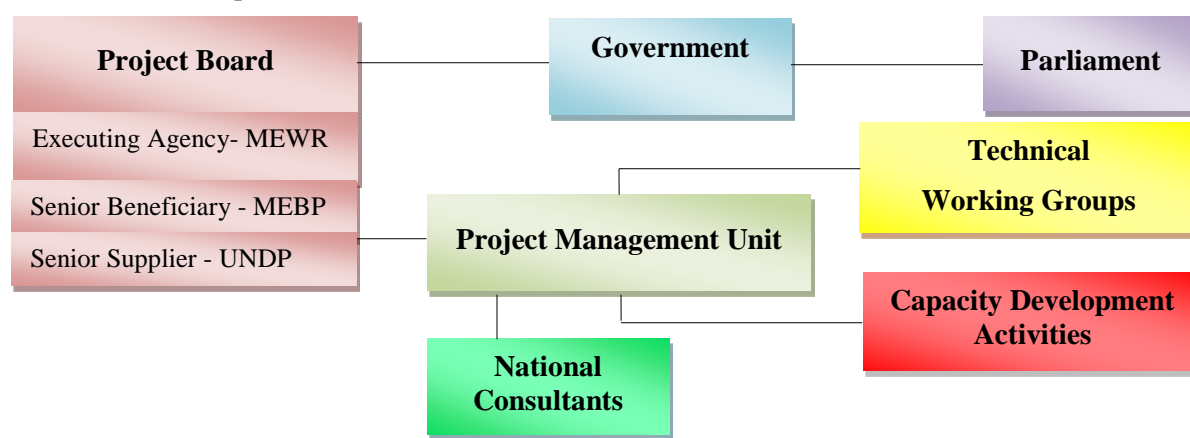


Figure 2: Project execution

147. **Project Board:** This Board is specifically established by the project to provide management oversight of project activities and is to be chaired by the Ministry of Environment and Water Resources (Focal Point for the CBD, CCD, FCCC and GEF). The Board will review progress and evaluation reports, and approve programmatic modifications to project execution, as appropriate and in accordance to UNDP procedures. Policy recommendations will be discussed and recommended for consideration by the Government and Parliament. The Board will be chaired by the NPD (see paragraph 150 above). In addition to MEWR, government membership of the Project Board will include Ministry of Economy and Budget Planning (MEBP) as well as representatives from the line ministries responsible and their respective state agencies. Non-state stakeholders will also be represented on the Project Board, namely from the private sector, academic and research institutions, NGOs, and CSOs. The Project Board will meet three (3) times per year, practically at the UNDP Country Office Headquarters. Meetings will be co-financed by UNDP.

148. The MEBP is the Senior Beneficiary of the project on the basis that the project will be strengthening and integrating Rio Convention provisions into their sectoral policies, legislation, policies and plans and institutional mandates. UNDP will be the Senior Supplier, providing technical guidance and support for the cost-effective procurement and implementation of project services and activities, including project implementation oversight through regular monitoring and reporting.

149. **National Project Director:** A senior government official will be designated at the National Project Director (NPD), and will be responsible for management oversight of the project. The NPD will devote a significant part of his/her working time on the project. Duties and responsibilities of the NPD are described in Annex 7. In the fulfillment of his/her responsibilities, the NPD will be supported by the Project Board and a part-time Project Manager.

150. **Project Management Unit:** UNDP KZ will establish a Project Management Unit (PMU) that will operate out of MEWR for the day-to-day management of project activities and sub-contract specific components of the project to specialized government agencies, research institutions, as well as qualified NGOs. The PMU will be administered by a part-time Project Manager from the “Support to the Government of Kazakhstan for Implementation of the Green Economy Concept” project⁸ and supported

⁸ This project does not benefit from GEF financing, nor has been used to leverage GEF financing.

by a part-time assistant.

151. National Consultants: The project will contract six (6) national specialists/experts as consultants to undertake the various assessments and analyses, draft the appropriate technical reports, and facilitate the various technical and learn-by-doing workshops and working group meetings. See Annex 7 for indicative Terms of References for these national experts.

152. Capacity Development Activities: The project will take an adaptive collaborative management approach to implementation. That is, UNDP and MEWR will manage project activities in order that stakeholders are involved early and throughout project implementation, providing regular input of the performance of project activities. This will help signal unforeseen risks and contribute to the timely modification and realignment of activities within the boundaries of the project's goal and objectives.

153. Expert Working Groups: A number of working groups comprised of independent experts, technical government agency representatives, as well as representatives from stakeholder groups will be created under the project to discuss and deliberate various technical and specialized issues. They will also contribute to the peer-reviewing of draft technical analyses.

154. Stakeholder Consultations: These consultations will focus on the active participation of stakeholders in various workshops and the peer-review of draft reports. These stakeholders will be comprised of government staff members as well as representatives from the non-governmental sector, as appropriate, including NGOs, academia, civil society, and private sector. These expert working groups serve to access the specialist knowledge in Kazakhstan that is necessary to ensure the high quality assessments and analyses, including the validity, legitimacy, and relevance of ensuing recommendations. The participation of these stakeholders throughout various project activities is included in the in-kind contribution of the government to the project.

F. Legal Context

155. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of Kazakhstan and UNDP, signed by the parties on 4 October 1993. The MEWR shall, for the purpose of the SBAA, be referred to as the Government Cooperating Agency as described in that SBAA.

156. Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

157. The implementing partner shall put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; as well as assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

158. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

159. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

160. This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAA for the specific countries; or (ii) in the Supplemental Provisions attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof.

161. This project will be implemented by the agency MEWR (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

162. The responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. The Implementing Partner shall: (a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; (b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

163. The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

PART II: ANNEXES

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Annex 1: Kazakhstan's Green Economy Concept

In Kazakhstan legislation, a 'Concept' introduces a new policy to the government and public, and afterwards an action plan is developed. A 'Strategy' is the follow-up policy plan to a 'Concept' that can be legislated and accepted in the national budget for a specified number of years. In December 2012, the Government outlined its decision to transition to a green economy in the Kazakhstan 2050 Strategy. The following spring on 30 May 2013, the President approved the Green Economy Concept. The corresponding action plan was approved in August 2013.

Kazakhstan's Transition to Green Economy Concept and Action Plan are landmark steps by the Government to change the course of the country's development to integrate environmental and social considerations into the planning and development process along with the already dominant economic ones. The overarching objective of this initiative is to transition the country from its existing resource dependent growth model to an environmentally sustainable development model that significantly reduces environmental risks and ecological scarcities. The government plans to achieve this while maintaining economic growth and competitiveness, creating high-value jobs and improving overall human well-being.

The Concept identifies four priority goals for Kazakhstan's transition to Green Economy:

- I. Increased resource productivity, including water, land, biological resources, and resource management efficiency;
- I. Modernization of existing and development of new infrastructure;
- II. Increased population well-being and quality of the environment, achieved through profitable measures reducing environmental footprint; and
- III. Increased national security, including water supply.

To achieve these goals the Concept identifies seven key areas in which to undertake sustainable-development initiatives: water resource management, sustainable agriculture, energy efficiency, power sector development, waste management, air pollution reduction, and ecosystem management (MEP, 2013). Fundamental to Transition to Green Economy is the idea that in addressing the sustainability of key sectors, there will be synergies found across a variety of cross-cutting issues, including climate change, good governance, environmental sustainability, gender equality, and human rights.

In addition to outlining key areas for intervention, the Concept also calls for human resource development with regard to the population's "ecological culture". The Concept proposes a range of actions from the introduction of green topics into elementary and preschool curricula to training for technical and management personnel on environmental protection and resource productivity. Part of the strategy will be broad communication and education programmes to raise awareness of the country's environmental issues. The overall goal here is to integrate environmental considerations into the fabric of society and foster a culture of environmental stewardship.

In order to facilitate the implementation of the Concept and Action Plan, the Office of the President has created a Council for Transition to Green Economy. This group is designed to ensure the cross-sector implementation of the strategy and to follow up on implementation progress. The Council is tasked with presenting a "National Report on transition towards Green Economy" every three years (MEP, 2013).

The Government understands that a transformation of this magnitude requires time, and for this reason it has identified three different stages of implementation for the Green Economy Concept:

2013-2020 - During this period, the main priority of the state will be to optimize resource use and increase the efficiency of the environment protection activities, as well as to establish green infrastructure;

2020-2030 – Based on the established green infrastructure, transformation of the national economy will start, oriented at rational water use, motivation and stimulation of development and broad

implementation of renewable energy technologies, as well as construction of facilities based on high energy efficiency standards; and

2030-2050 – Transition of the national economy to principles of Third Industrial Revolution, which require the use of natural resources on the condition of renewability and sustainability (MEP, 2013, p. 50).

The Ministry of Environment and Water Resources and the Ministry of Economic Development are charged with the implementation of the Concept for transition to green economy and have been taking steps to develop the Concept into a Strategy. For example, MEWR is currently working with GGGI and the European Bank for Reconstruction and Development to develop the Strategy for Kazakhstan's Green Economy (GGGI, 2014). MEWR has also collaborated with World Bank and the European Bank to propose amendments to the Environmental Code as part of the Green Economy Law.

Annex 2: Logical Framework

This log frame is to be reviewed and revised with the input of UNDP and the International Technical Advisor at the time of project inception.

Project Strategy	Objectively verifiable indicators			Sources of verification	Risks and Assumptions
	Indicator	Baseline value	Target value and date		
Long-term goal: To put in place new approaches that will facilitate better development decisions for the global environment					
Project objectives: To develop technical and institutional capacities for undertaking an economic valuation of global environmental goods and services as potentially impacted by proposed development policies, programmes, plans and projects.	Outcome indicators: <ul style="list-style-type: none">Decisions to protect the global environment are better enabledTechnical and management staff sufficiently trained in the use and application of natural resource valuation tools, and decision-makers fully aware of natural resource valuation tools	<ul style="list-style-type: none">There is high-level support and parliamentary approval for the Green Economy concept in KazakhstanRequirements of the Rio Conventions are not adequately incorporated in development planningInstitutional capacities for managing the Rio Conventions is piecemeal and takes place through Rio Convention-specific projects, with development emphasizing socio-economic prioritiesPlanners and decision-makers, particularly at the local level do not fully appreciate the value of the Rio Conventions and the use of net present value to determine value leads to	By the end of the project: <ul style="list-style-type: none">Government staff have learned, applied, and tested best practice tools to integrate natural resource valuation into national decision-making processes for improved implementation of Rio ConventionsFuture planning and development will account for the true value of environmental goods and servicesIncreased capacity within relevant stakeholder groups to address Rio Convention obligationsGender equality targets per UNDP 2013-2017 Strategic Plan are met	<ul style="list-style-type: none">Meeting Minutes⁹Working Group meeting reportsUNDP quarterly progress reportsIndependent final evaluation reportsRio Convention national reports and communicationsStrategic documents detailing the new valuation toolsGEF Cross-Cutting Capacity Development Scorecard	<ul style="list-style-type: none">The project will be executed in a transparent, holistic, adaptive, and collaborative mannerPolicy and institutional reforms and modifications recommended by the project are politically, technically, and financially feasibleImproving the valuation process will help decision-making relating to the global environment become more inclusive, legitimate, and robustPlanners and decision-makers are resistant to adopt new attitudes towards the global environment

⁹ Meeting minutes includes records of key meetings such as local, regional and national consultations regarding inputs on the design and implementation of the relevant output and associated activities. Meetings may be individual or group meetings, with government officials or non-state stakeholders.

Project Strategy	Objectively verifiable indicators			Sources of verification	Risks and Assumptions
	Indicator	Baseline value	Target value and date		
		heavy discounting of the global environment			
Outcome 1: Decisions to protect the global environment are better enabled					
Output 1.1 Development of natural resource valuation tools	<ul style="list-style-type: none"> ▪ Report on natural resource valuation ▪ Natural resource valuation tools ▪ Expert working group meetings ▪ Integration of valuation tools into decision-making 	<ul style="list-style-type: none"> ▪ Planners and decision-makers do not incorporate full value of ecosystem goods and services ▪ Evidence of public sector staff's technical capacities related to the Rio Conventions is limited ▪ Despite expressed government commitment to the global environment, several issues undermine policies and efforts 	<ul style="list-style-type: none"> ▪ Natural resource valuation report drafted by month 4 and peer-reviewed, finalized and presented by month 5 ▪ Valuation tools developed and peer-reviewed by month 7, endorsed by Government by month 9, and revised during piloting phase in year 2, and finalized by month 30 ▪ Expert working group convened by month 3 ▪ An agreement to utilize natural resource valuation tools in decision-making signed by month 12 	<ul style="list-style-type: none"> ▪ Meeting minutes ▪ Tracking and progress reports¹⁰ ▪ Natural resource valuation tools and report ▪ Letter of endorsement 	<ul style="list-style-type: none"> ▪ Reports and analyses are deemed legitimate, relevant, and valid among all key stakeholder representatives ▪ Members of the working group will be comprised of proactive experts and project champions ▪ Institutions and working groups are open to proposed agreements and there is no active institutional resistance ▪ Enabling policy and legislation in place to support the signing of an appropriate agreement ▪ Institutions follow through on commitments under an appropriate agreement

¹⁰ Tracking and progress reports include UNDP Quarterly Reports, Annual Performance Reports, and Project Implementation Reports. Each output will be tracked by a report that records the activities and milestones of each output using tools such as Gantt or PERT charts.

Project Strategy	Objectively verifiable indicators			Sources of verification	Risks and Assumptions
	Indicator	Baseline value	Target value and date		
Output 1.2: Training of technical capacities	<ul style="list-style-type: none"> NRV training materials and curriculum Sensitization workshops on NRV for government decision-makers, private sector, and NGOs NRV training courses 	<ul style="list-style-type: none"> There is a lack of capacity among agency staff and less than optimal understanding of natural resource valuation NRV guidelines and tools are not widely known among planners and decision-makers 	<ul style="list-style-type: none"> Materials and curriculum developed and peer-reviewed by month 12, revised following piloting by month 24, and again by month 30 after NRV mainstreaming and reforms At least six workshops convened, the first by month 9 and the last by month 30 Workshops will have a total of at least 150 different stakeholders including at least 50 senior decision-makers and planners Training courses begin by month 13 and end by month 16 No fewer than 200 government staff will have participated in courses and average test score of at least 80% 	<ul style="list-style-type: none"> Meeting minutes Tracking and progress reports Training materials and curriculum Participant registration lists Workshop reports Test scores Feedback from training 	<ul style="list-style-type: none"> Expert peer-reviews are thorough and of high quality Lead agencies will allow their staff to attend all trainings The right representation from the various government ministries, departments, and agencies participate in project activities Trainers will agree with best practices to mainstream and implement training based on the Rio Conventions Other training programmes and curricula do not work against Rio Conventions
Outcome 2: Technical and management staff trained in the use and application of NRV tools, and decision-makers fully aware of NRV tools					
Output 2.1: Mainstreaming natural resource valuation	<ul style="list-style-type: none"> Criteria for high-value development project to pilot NRV tools Stakeholder workshop to select development project for piloting Workshops to evaluate pilot project and feedback surveys 	<ul style="list-style-type: none"> There is a shortage of technical capacity amongst planners at all levels to utilize information and knowledge related to the value of ecosystem goods and services, and to mainstream it into the planning processes 	<ul style="list-style-type: none"> Criteria approved by Project Board by month 14 Workshop convened by month 16 with at least 50 representative from private sector and NGOs, project for NRV piloting selected by month 17 Six workshops with at least 100 	<ul style="list-style-type: none"> Meeting minutes Tracking and progress reports Participation lists Workshop reports Feedback surveys Statistical 	<ul style="list-style-type: none"> Workshop participants contribute their honest attitudes and values Regional and non-state stakeholder representation in project activities legitimately reflect their stakeholder constituent views and

Project Strategy	Objectively verifiable indicators			Sources of verification	Risks and Assumptions
	Indicator	Baseline value	Target value and date		
	<p>from attendees</p> <ul style="list-style-type: none"> ▪ Pilot project evaluation and report on best practices and lessons learned ▪ Awareness-raising brochures prepared from report ▪ Sectoral screening workshops ▪ Guidelines and methodologies for application of NRV 	<ul style="list-style-type: none"> ▪ Civil society stakeholders have limited experience with participation in the economic arena, and few CSOs have the necessary technical and administrative capacities to operate effectively in Kazakhstan ▪ Kazakhstan will host the International Exposition (Expo 2017) in June 2017, the central theme of which is innovative and practical energy solutions. This will be an opportunity to showcase its lessons learned in pursuing green economy, and project activities 	<p>staff and stakeholder representatives convened by month 22</p> <ul style="list-style-type: none"> ▪ 90% response rate for workshop feedback surveys by month 22, and statistical analysis of evaluations by month 23 ▪ Best practices and lessons learned report from workshops drafted by month 24, peer-reviewed by month 26, and finalized by month 28 ▪ 500 brochures available for distribution at Expo 2017 ▪ Five sectoral screening workshops with at least 250 key government staff and representatives by month 30 ▪ Guidelines and methodologies for NRV drafted by month 28, peer-reviewed and finalized by month 31, and officially endorsed by month 32 	<p>analyses</p> <ul style="list-style-type: none"> ▪ Best practices and lessons learned report ▪ Awareness raising brochures ▪ NRV guidelines and methodologies ▪ Letter of endorsement 	<p>priorities</p> <ul style="list-style-type: none"> ▪ Expert peer reviewers follow through with quality reviews ▪ Planners and decision-makers are resistant to adopt new attitudes towards the global environment ▪ Brochures will be read and the content absorbed ▪ Report will be read and valued by target recipients ▪ There is sufficient commitment from policy-makers to maintain long-term support to project activities
Output 2.2: Legislative and institutional reforms	<ul style="list-style-type: none"> ▪ Institutional and legislative assessment ▪ Bills for institutional and legislative reforms ▪ Resource mobilization strategy for long-term 	<ul style="list-style-type: none"> ▪ Some political reforms are already on-going including a draft Law on Local Governance that is designed to strengthen capacities of local communities to monitor local state budget spending, and encourage development of multi- 	<ul style="list-style-type: none"> ▪ Institutional and legislative assessment drafted by month 9, revised by month 26, and finalized by month 28 ▪ Expert working groups validate expert analysis on NRV institutionalization by month 12 and institutional and 	<ul style="list-style-type: none"> ▪ Meeting minutes ▪ Tracking and progress reports ▪ Institutional and legislative assessment and bills for reforms 	<ul style="list-style-type: none"> ▪ Best practices and lessons learned are applicable in Kazakhstan and appropriately used ▪ Expert peer reviewers follow through with quality reviews ▪ Legislative and

Project Strategy	Objectively verifiable indicators			Sources of verification	Risks and Assumptions
	Indicator	Baseline value	Target value and date		
	financial needs	stakeholder public and local community entities that can engage with the local and sub-regional authorities	<p>legislative assessments by month 30. Group meets three times in year 2 for project updates.</p> <ul style="list-style-type: none"> ▪ Bills for reforms drafted by month 30, peer-reviewed, validated and submitted for Parliamentary approval by month 33 ▪ Expert working group convened by month 13 to draft resource mobilization strategy by month 21, strategy reviewed and finalized by month 25 and approved by month 28 	<ul style="list-style-type: none"> ▪ Peer-review comments ▪ Resource mobilization strategy ▪ Letter of approval 	institutional reforms recommended by the project are politically, technically, and financially feasible

Annex 3: Capacity Development Scorecard

Project/Programme Name: Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements

Project/Programme Cycle Phase: Project preparation Date: 15 May 2014

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
CR 1: Capacities for engagement						
Indicator 1 – Degree of legitimacy/mandate of lead environmental organizations	Institutional responsibilities for environmental management are not clearly defined	0		The Ministry of Environment and Water Resources (formerly the Ministry of Environmental Protection) of the Republic of Kazakhstan is the central executive agency in charge of environmental protection and is also responsible for implementing MEAs, national environmental policies, EIAs, monitoring, and enforcement. In 2013, with the institutional reorganization in the government, the duties to protect and restore forest and water resources and protected natural areas were transferred from the Ministry of Agriculture to MEWR. Along with these duties, obligations under the Rio Conventions that previously fell on the Ministry of Agriculture are now the responsibility of MEWR. Environmental NGOs, consulting companies, academia, and research institutions possess sufficient level of expertise on environmental management.	The capacity of lead environmental organizations and individual capacities of civil servants will be strengthened. By the end of project, Kazakhstan will have improved capacities to coordinate environmental management in such a way that will create synergies for the national implementation of the Rio Conventions.	1
	Institutional responsibilities for environmental management are identified	1				
	Authority and legitimacy of all lead organizations responsible for environmental management are partially recognized by stakeholders	2	2			
	Authority and legitimacy of all lead organizations responsible for environmental management recognized by stakeholders	3				
Indicator 2 – Existence of operational co-management mechanisms	No co-management mechanisms are in place	0		MEWR now has a stronger mandate to develop a more systemic and strategic approach to integrated planning and management. Yet, there is a need to integrate environmental objectives into sectoral and regional policies. The ability of the government to carry out strategic planning is poor. Ministries operate and act within their specific areas of expertise, not seeing the bigger picture. Also, the lack of communication and coherent regulations establishing the framework for preparing and implementing integrated planning and management exacerbates this situation.	A set of natural resource valuation tools will be developed and calibrated to the three Rio Conventions. A formal mechanism will be developed to improve inter-agency coordination and integrate natural resource valuation into relevant decision-making processes.	1
	Some co-management mechanisms are in place and operational	1	1			
	Some co-management mechanisms are formally established through agreements,	2				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	MOUs, etc.			and poor monitoring and enforcement, particularly at the local level, remain significant challenges. The country is similarly troubled by poor enforcement of the Rio Conventions and other MEAs that represents a significant gap regarding low human resources capacity at local level.		
	Comprehensive co-management mechanisms are formally established and are operational/functional	3				
Indicator 3 – Existence of cooperation with stakeholder groups	Identification of stakeholders and their participation/involvement in decision-making is poor	0		MEWR is a key stakeholder along with its regional offices and affiliate institutions. Other institutions involved in environmental protection are sectoral ministries and agencies, i.e. Ministry of Regional Development, Ministry of Industries and New Technologies, Ministry of Agriculture, Ministry of Oil & Gas, Ministry of Emergencies, Ministry of Economy and Budget Planning as well as local governments. Academic institutions and NGOs are involved in environmental decision-making via a number of mechanisms, e.g., technical expert groups and public hearings, yet their participation is still limited. Involvement of the general public in the consultative process that informs policy-making is limited to public hearings. Cross-sectoral, inter-departmental and intra-departmental cooperation regarding Rio Conventions is ineffective. Additionally, there is poor cooperation between key agencies acting in the sphere of global environment protection and nature protection organizations.	During the project, key stakeholders will actively participate in the drafting of a set of natural resource valuation tools as well as in mainstreaming these tools into decision-making. They will also participate in training workshops at the national, regional and local levels.	1, 2
	Stakeholders are identified but their participation in decision-making is limited	1	1			
	Stakeholders are identified and regular consultations mechanisms are established	2				
	Stakeholders are identified and they actively contribute to established participative decision-making processes	3				
CR 2: Capacities to generate, access and use information and knowledge						
Indicator 4 – Degree of environmental awareness of stakeholders	Stakeholders are not aware about global environmental issues and their related possible solutions (MEAs)	0		While general public awareness of environmental issues in Kazakhstan is quite high, the general public is less aware, or unconcerned, about the Rio Conventions and their contribution to local and national socio-economic priorities. In general, there is insufficient awareness and knowledge of Rio Convention obligations at multiple levels. For example, there is a need for a uniform knowledge management system for the Conventions; the system for advanced training/retraining is not developed; there is insufficient information and understanding regarding the economic benefits of Rio Convention mainstreaming in policy development.	The project will hold trainings as well as learning-by-doing exercises to target all government staff and other stakeholders including private sector and NGOs on the importance of natural resource valuation and the Rio Conventions.	1, 2
	Stakeholders are aware about global environmental issues but not about the possible solutions (MEAs)	1	1			
	Stakeholders are aware about global environmental issues and the possible solutions but do not know how to participate	2				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	Stakeholders are aware about global environmental issues and are actively participating in the implementation of related solutions	3				
Indicator 5 – Access and sharing of environmental information by stakeholders	The environmental information needs are not identified and the information management infrastructure is inadequate	0		<p>Environmental information in Kazakhstan is gathered by MEWR, its regional offices, and subordinate institutions. Regional and local level governments (akimats) also collect some environmental information, but the information and data are collected in different formats and there is no uniform data storage and knowledge management system for using the Conventions in different sectors. Kazakhstan has incomplete sets of data, and while national and regional environmental data are available (though types of information are still limited), more comprehensive local level data are needed.</p> <p>All ministries and regional governments, as well as most local governments, have websites. However, only MEWR regularly publishes environmental information albeit not in a comprehensive format. This limits the general public's access to this information.</p> <p>Public participation and awareness in the decision-making process for implementation of the Rio Conventions is insufficient as is the contribution of different sectors and types of activities in fulfillment of Rio Convention obligations.</p>	The project will carry out a public awareness campaign that will include sensitization workshops, public consultations and dialogues. The project will also strengthen the appropriate mechanisms to allow public input in the decision-making process of proposed developments.	1, 2
	The environmental information needs are identified but the information management infrastructure is inadequate	1				
	The environmental information is partially available and shared among stakeholders but is not covering all focal areas and/or the information management infrastructure to manage and give information access to the public is limited	2	2			
	Comprehensive environmental information is available and shared through an adequate information management infrastructure	3				
Indicator 6 – Existence of environmental education programmes	No environmental education programmes are in place	0		<p>Environmental education is simply based on general knowledge of global and regional environmental problems. Environmental studies are not taught as a full term course at high schools. Nonetheless, tertiary training institutions offer training to specialists in general ecology, hydro-ecology, agro-ecology, environmental monitoring, geology, biology, etc., however, no courses are available cover environmental management and policies in Kazakhstan. Overall, the educational system does not provide an appropriate qualitative level of practical training for implementation of the Rio Convention.</p>	A comprehensive set of materials as well as robust training course on natural resource valuation will be developed.	1
	Environmental education programmes are partially developed and partially delivered	1	1			
	Environmental education programmes are fully developed but partially delivered	2				
	Comprehensive environmental education programmes exist and	3				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	are being delivered					
Indicator 7 – Extent of the linkage between environmental research/science and policy development	No linkage exist between environmental policy development and science/research strategies and programmes	0		<p>There is insufficient access to information regarding the possible synergies between the Rio Conventions and national development priorities. Moreover, there is a need for more research to guide policy development in areas such as natural resource valuation, ecosystem assessment, and monitoring, among others.</p> <p>Despite its availability, scientific knowledge in Kazakhstan is not adequately incorporated into the development of innovative practices or policies, partly because key agencies do not share a common understanding of how to use scientific knowledge to formulate environmentally-sound and sustainable policies, plans, and projects.</p>	This project will bring together numerous and diverse stakeholders from government and non-government sectors to strengthen coordination and collaboration between the different parties. As a result of this project relevant research can be carried out, that serves the needs and responds to national policies.	1
	Research needs for environmental policy development are identified but are not translated into relevant research strategies and programmes	1	1			
	Relevant research strategies and programmes for environmental policy development exist but the research information is not responding fully to the policy research needs	2				
	Relevant research results are available for environmental policy development	3				
Indicator 8 – Extent of inclusion/use of traditional knowledge in environmental decision-making	Traditional knowledge is ignored and not taken into account into relevant participative decision-making processes	0		<p>Indigenous knowledge and traditional techniques not sufficiently used when compared and contrasted to the empirical data and information. Traditional knowledge is eroding, as well as many of the agricultural practices, seed banks, disaster preparedness methods. There is very limited documentation on traditional knowledge in existence and a need to capture, translate and document practices and norms that are environmentally sustainable.</p>	Best practices to use traditional and indigenous knowledge will be identified and through diverse stakeholder working groups discuss and debate their relevance to sustainable development from a Rio Convention lens. Through learn-by-doing, planners and decision-makers will learn to think critically about the value and integration of traditional and indigenous knowledge	1
	Traditional knowledge is identified and recognized as important but is not collected and used in relevant participative decision-making processes	1				
	Traditional knowledge is collected but is not used systematically into relevant participative decision-making processes	2				
	Traditional knowledge is collected, used and shared for effective participative decision-	3				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	making processes					
CR 3: Capacities for strategy, policy and legislation development						
Indicator 9 – Extent of the environmental planning and strategy development process	The environmental planning and strategy development process is not coordinated and does not produce adequate environmental plans and strategies	0		<p>There is no overarching policy that links the Rio Conventions within the framework of national sustainable development. Many policies and plans have attempted to integrate sustainability issues into the broader national economy such as the Environmental Code of 2007, the Kazakhstan National Green Growth Plan, the 2005 Concept on Kazakhstan's Transition to Sustainable Development, and most recently the Concept to Transition to Green Economy. Nonetheless, past initiatives failed to adopt a suitably holistic approach to sustainable development and moreover, they were largely driven by the Ministry of Environment and Water Resources without adequate buy-in from the economic and finance establishment or championship from key government staff.</p> <p>While the new Green Economy Concept is gaining traction in the business community, thus far the majority of attention has focused on renewable energy and energy efficiency. In general, decision-makers lack knowledge of the entire range of project impacts and benefits including, for instance, benefits from adaptation to climate change, social impacts of soil degradation and biological diversity.</p>	In line with Rio Conventions requirements and as a way to integrate national priorities within international commitments and obligations, a set of natural valuation tools will be developed through a cross-sectoral and participatory approach.	1, 2
	The environmental planning and strategy development process does produce adequate environmental plans and strategies but there are not implemented/used	1				
	Adequate environmental plans and strategies are produced but there are only partially implemented because of funding constraints and/or other problems	2	2			
	The environmental planning and strategy development process is well coordinated by the lead environmental organizations and produces the required environmental plans and strategies; which are being implemented	3				
Indicator 10 – Existence of an adequate environmental policy and regulatory frameworks	The environmental policy and regulatory frameworks are insufficient; they do not provide an enabling environment	0		<p>Legislation and economic incentives are often at odds with the Rio Conventions, and even though much of the necessary legislation and regulations are in place, they are not supported by the practical procedures and working methods that are needed for broad and integrated implementation of these conventions. Policy interventions often result in overlap, duplication of effort, and weak implementation.</p> <p>Kazakhstan's administrative mechanisms and regulatory</p>	The project will be directed at policy and legislative reforms that integrate Rio Conventions provisions. The project will also undertake an in-depth assessment of recommended institutional and legislative reforms and will prepare drafts of institutional and legislative reforms in support of natural	2
	Some relevant environmental policies and laws exist but few are implemented and enforced	1				
	Adequate environmental policy and legislation frameworks exist	2	2			

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	but there are problems in implementing and enforcing them			instruments relevant to economic development, as well as the compensation and rehabilitation mechanisms incentives do not adequately incorporate environmental considerations and are poorly understood.	resource valuation.	
	Adequate policy and legislation frameworks are implemented and provide an adequate enabling environment; a compliance and enforcement mechanism is established and functions	3				
Indicator 11 – Adequacy of the environmental information available for decision-making	The availability of environmental information for decision-making is lacking	0		MEWR maintains its website (www.eco.gov.kz) and publishes monitoring data and information on environmental conditions in the country and regions quarterly. Such reporting, however, only partially provides data pertaining to Rio Conventions. Also, MEWR regularly produces national communications on three conventions, but it is solely done for the purpose of reporting, and results/recommendations are not integrated into decision-making and policy development. There is no system in place for quantifying the value of natural resources and ecosystem services while the costs of externalities are equally absent in the budgeting and planning process. Data needed to estimate the economic value of environmental goods and services is either non-existent or outdated.	The project will develop guidelines and methodologies for the application of natural resource valuation. New natural resource valuation tools will be tested in the selected development project.	2
	Some environmental information exists but it is not sufficient to support environmental decision-making processes	1	1			
	Relevant environmental information is made available to environmental decision-makers but the process to update this information is not functioning properly	2				
	Political and administrative decision-makers obtain and use updated environmental information to make environmental decisions	3				
CR 4: Capacities for management and implementation						
Indicator 12 – Existence and mobilization of resources	The environmental organizations don't have adequate resources for their programmes and projects and the requirements have not been assessed	0		Financial resources to enact environmental policies (and the Rio Conventions) are generally available based on MEWR's 3-year strategic plan. The long-term Zhasyl Damu Program has been discarded. The government approved the Green Economy Strategy and Action Plan until 2050 though available financing for its implementation is limited for the current phase. Also, the government launched a domestic emissions trading scheme in 2013. The trading scheme is still in its infancy and does not generate a regular stream of	The project will develop a resource mobilization strategy that will take a comprehensive look at what is needed to ensure that the use of natural resource valuation will be carried out over the long-term. Other budgetary allocations and revenue streams that could	2
	The resource requirements are known but are not being addressed	1				

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	The funding sources for these resource requirements are partially identified and the resource requirements are partially addressed	2	2	revenue to be used by MEWR for environment protection activities. The government has been successful in mobilizing TA and grant resources from bilateral and multilateral international organizations and financial institutions (e.g., UNDP, UNEP, WB, ADB, EBRD, etc.). But this type of funding tends to decrease due to positive economic growth of the country.	ensure the long-term financial needs of natural resource valuation will be explored and a plan developed to access these resources.	
	Adequate resources are mobilized and available for the functioning of the lead environmental organizations	3				
Indicator 13 – Availability of required technical skills and technology transfer	The necessary required skills and technology are not available and the needs are not identified	0		Consideration of environmental issues in sectoral and regional planning is not systematic. Some training is provided to the government staff, but none on integration of Rio Convention provisions into sectoral and regional planning. Skills for strategic planning and development are poor at local and regional levels.	The project will support an extensive programme of training, information dissemination and advocacy to ensure adherence and involvement of concerned stakeholders in the policy and institutional reforms.	1, 2
	The required skills and technologies needs are identified as well as their sources	1	1			
	The required skills and technologies are obtained but their access depend on foreign sources	2				
	The required skills and technologies are available and there is a national-based mechanism for updating the required skills and for upgrading the technologies	3				
CR 5: Capacities to monitor and evaluate						
Indicator 14 – Adequacy of the project/programme monitoring process	Irregular project monitoring is being done without an adequate monitoring framework detailing what and how to monitor the particular project or programme	0		Capacity to collect and interpret the monitoring data gathered is limited in Kazakhstan. Project managers in the public sector do not have sufficient skills or the knowledge to monitor and record information in a planned and scientific way. Such methods are still new and the understanding of these participatory techniques is limited.	Training and best practices for monitoring, with particular emphasis on the global environment will be a central part of project activities, including learn-by-doing.	1
	An adequate resourced monitoring framework is in place but project monitoring is irregularly conducted	1	1			

Capacity Result / Indicator	Staged Indicators	Rating	Score	Comments	Next Steps	Contribution to which Outcome
	Regular participative monitoring of results in being conducted but this information is only partially used by the project/programme implementation team	2				
	Monitoring information is produced timely and accurately and is used by the implementation team to learn and possibly to change the course of action	3				
Indicator 15 – Adequacy of the project/programme monitoring and evaluation process	None or ineffective evaluations are being conducted without an adequate evaluation plan; including the necessary resources	0		Capacity to evaluate project without biases is very limited. Evaluators with the appropriate skills and capacities are not readily accessible in Kazakhstan due to their relative small numbers. In the public sector, evaluation is not done judiciously due to political influences.	<p>Training of good skills for evaluating data and information, with particular emphasis on the global environment will be a central part of project activities, including learn-by-doing.</p> <p>Progress reports will be prepared quarterly. Independent mid-term and final evaluation reports will add to this adequacy.</p>	1, 2
	An adequate evaluation plan is in place but evaluation activities are irregularly conducted	1	1			
	Evaluations are being conducted as per an adequate evaluation plan but the evaluation results are only partially used by the project/programme implementation team	2				
	Effective evaluations are conducted timely and accurately and are used by the implementation team and the Agencies and GEF Staff to correct the course of action if needed and to learn for further planning activities	3				

Annex 4: Provisional Work Plan

Activity Description		Year 1											
		1	2	3	4	5	6	7	8	9	10	11	12
Component 1: Development and application of natural resource valuation													
Output 1.1: Development of natural resource valuation tools													
1.1.1	Conduct expert review of lessons learned and best practices for natural resource valuation												
1.1.2	Develop a set of tools to value environmental goods and services.												
1.1.3	Integrate resource valuation tools and consult with decision-makers.												
Output 1.2: Training of technical capacities													
1.2.1	Prepare NRV materials and training curriculum.												
1.2.2	Convene sensitization workshops on the value of natural resource valuation.												
1.2.3	Carry out training courses.												
Component 2: Institutionalizing natural resource valuation													
Output 2.1: Mainstreaming Natural Resource Valuation													
2.1.1	Select a high value development project to test new natural resource valuation tools.												
2.1.2	Apply natural resource valuation tools to the selected development project.												
2.1.3	Evaluate pilot project to improve institutionalization of natural resource valuation tools.												
2.1.4	Integrate natural resource valuation into screening of sectoral strategies and plans.												
2.1.5	Prepare and publish guidelines and methodologies for natural resource valuation.												
Output 2.2: Legislative and institutional reforms													
2.2.1	Undertake an in-depth assessment of recommended institutional and legislative reforms.												
2.2.2	Facilitate inter-agency collaboration to institutionalize natural resource valuation.												
2.2.3	Prepare and submit bills for institutional and legislative reforms.												
2.2.4	Develop resource mobilization strategy.												
Project Management													
A	Locally recruited personnel: Project Coordinator												
B	Locally recruited personnel: Project Assistant												
C	International Evaluation Consultant: Terminal Evaluation												
D	Office facilities and communications												
E	Project start-up: Organize project team and review work plan												
F	Policy Board meetings												

Activity	Description	Year 2											
		13	14	15	16	17	18	19	20	21	22	23	24
Component 1: Development and application of natural resource valuation													
Output 1.1: Development of natural resource valuation tools													
1.1.1	Conduct expert review of lessons learned and best practices for natural resource valuation.												
1.1.2	Develop a set of tools to value environmental goods and services.												
1.1.3	Integrate resource valuation tools and consult with decision-makers.												
Output 1.2: Training of technical capacities													
1.2.1	Prepare NRV materials and training curriculum.												
1.2.2	Convene sensitization workshops on the value of natural resource valuation.												
1.2.3	Carry out training courses.												
Component 2: Institutionalizing natural resource valuation													
Output 2.1: Mainstreaming Natural Resource Valuation													
2.1.1	Select a high value development project to test new natural resource valuation tools.												
2.1.2	Apply natural resource valuation tools to the selected development project.												
2.1.3	Evaluate pilot project to improve institutionalization of natural resource valuation tools.												
2.1.4	Integrate natural resource valuation into screening of sectoral strategies and plans.												
2.1.5	Prepare and publish guidelines and methodologies for natural resource valuation.												
Output 2.2: Legislative and institutional reforms													
2.2.1	Undertake an in-depth assessment of recommended institutional and legislative reforms.												
2.2.2	Facilitate inter-agency collaboration to institutionalize natural resource valuation.												
2.2.3	Prepare and submit bills for institutional and legislative reforms.												
2.2.4	Develop resource mobilization strategy.												
Project Management													
A	Locally recruited personnel: Project Coordinator												
B	Locally recruited personnel: Project Assistant												
C	International Evaluation Consultant: Terminal Evaluation												
D	Office facilities and communications												
E	Project start-up: Organize project team and review work plan												
F	Policy Board meetings												

Activity	Description	Year 3											
		25	26	27	28	29	30	31	32	33	34	35	36
Component 1: Development and application of natural resource valuation													
Output 1.1: Development of natural resource valuation tools													
1.1.1	Conduct expert review of lessons learned and best practices for natural resource valuation.												
1.1.2	Develop a set of tools to value environmental goods and services.												
1.1.3	Integrate resource valuation tools and consult with decision-makers.												
Output 1.2: Training of technical capacities													
1.2.1	Prepare NRV materials and training curriculum.												
1.2.2	Convene sensitization workshops on the value of natural resource valuation.												
1.2.3	Carry out training courses.												
Component 2: Institutionalizing natural resource valuation													
Output 2.1: Mainstreaming Natural Resource Valuation													
2.1.1	Select a high value development project to test new natural resource valuation tools.												
2.1.2	Apply natural resource valuation tools to the selected development project.												
2.1.3	Evaluate pilot project to improve institutionalization of natural resource valuation tools.												
2.1.4	Integrate natural resource valuation into screening of sectoral strategies and plans.												
2.1.5	Prepare and publish guidelines and methodologies for natural resource valuation.												
Output 2.2: Legislative and institutional reforms													
2.2.1	Undertake an in-depth assessment of recommended institutional and legislative reforms.												
2.2.2	Facilitate inter-agency collaboration to institutionalize natural resource valuation.												
2.2.3	Prepare and submit bills for institutional and legislative reforms.												
2.2.4	Develop resource mobilization strategy.												
Project Management													
A	Locally recruited personnel: Project Coordinator												
B	Locally recruited personnel: Project Assistant												
C	International Evaluation Consultant: Terminal Evaluation												
D	Office facilities and communications												
E	Project start-up: Organize project team and review work plan												
F	Policy Board meetings												

Annex 5: Outcome Budget (GEF Contribution and Co-financing)

Activity	Description	Year 1	Year 2	Year 3	GEF	Co-financing	Total
		310,000	420,000	420,000	500,000	650,000	1,150,000
Component 1:	Development and application of national resource valuation	137,000	152,000	167,000	210,000	246,000	456,000
Output 1.1	Development of natural resource valuation tools	80,000	62,000	80,000	100,000	122,000	222,000
1.1.1	Conduct expert review of lessons learned and best practices	30,000	0	30,000	30,000	30,000	60,000
1.1.2	Develop a set of tools to value environmental goods and services	30,000	30,000	20,000	50,000	30,000	80,000
1.1.3	Integrate resource valuation tools into decision-making	20,000	32,000	30,000	20,000	62,000	82,000
Output 1.2	Training of technical capacities	57,000	90,000	87,000	110,000	124,000	234,000
1.2.1	Prepare NRV materials and training curriculum	30,000	20,000	17,000	40,000	27,000	67,000
1.2.2	Convene sensitization workshops on the value of natural resource valuation	27,000	35,000	30,000	40,000	52,000	92,000
1.2.3	Carry out training courses.	0	35,000	40,000	30,000	45,000	75,000
Component 2:	Institutionalizing natural resource valuation	150,000	245,000	205,000	249,000	351,000	600,000
Output 2.1	Mainstreaming Natural Resource Valuation	60,000	175,000	130,000	171,000	194,000	365,000
2.1.1	Select a high value development project to test new natural resource valuation tools	15,000	0	0	5,000	10,000	15,000
2.1.2	Apply natural resource valuation tools to the selected development project	25,000	70,000	35,000	62,000	68,000	130,000
2.1.3	Evaluate pilot project to improve institutionalization of natural resource valuation tools	0	30,000	35,000	34,000	31,000	65,000
2.1.4	Integrate natural resource valuation into screening of sectoral strategies and plans	0	50,000	35,000	30,000	55,000	85,000
2.1.5	Prepare and publish guidelines and methodologies for natural resource valuation	20,000	25,000	25,000	40,000	30,000	70,000
Output 2.2	Legislative and institutional reforms	90,000	70,000	75,000	78,000	157,000	235,000
2.2.1	Undertake an in-depth assessment of recommended institutional and legislative reforms	30,000	10,000	10,000	20,000	30,000	50,000
2.2.2	Facilitate inter-agency collaboration to institutionalize natural resource valuation	20,000	20,000	20,000	25,000	35,000	60,000
2.2.3	Prepare and submit bills for institutional and legislative reforms	25,000	20,000	20,000	23,000	42,000	65,000
2.2.4	Develop and initiate resource mobilization plan.	15,000	20,000	25,000	10,000	50,000	60,000

Project Management		23,000	23,000	48,000	41,000	53,000	94,000
(a)	Locally recruited personnel: Project Manager	8,000	8,000	8,000	0	24,000	24,000
(b)	Locally recruited personnel: Project Assistant	6,000	6,000	6,000	18,000	0	18,000
(c)	Terminal Evaluation	0	0	20,000	10,000	10,000	20,000
(d)	Office facilities and communications	5,000	5,000	5,000	1,000	14,000	15,000
(e)	Travel	1,500	2,000	6,500	5,000	5,000	10,000
(f)	Professional Services	500	500	1,000	2,000	0	2,000
(g)	UNDP cost recovery charges - Bills	2,000	1,500	1,500	5,000	0	5,000

Notes

- (a) The Project Manager will be part-time
- (b) The Project Assistant will be part-time
- (c) Government staff time will support the terminal evaluation through consultations and information gathering for the international consultant
- (d) The project management unit will be housed under MEWR, with some GEF support to cover communication costs
- (e) International travel for the international evaluation expert
- (f) Project auditing per UNDP policies and procedures
- (g) UNDP cost recovery charges per letter of agreement with Government of Kazakhstan

Annex 6: Total GEF Budget and Work Plan

Award ID:	TBD
Project ID:	TBD
Award Title:	Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements
Business Unit:	UNDP
Project Title:	Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements
PIMS No:	5248
Implementing Partner:	MEWR

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)
COMPONENT 1: Strengthening institutional capacities for improved implementation of Rio Convention obligations	MEWR	62000	GEF	71300	Public Administration Specialist	5,000	6,000	6,000	17,000
				71300	CBD Specialist	9,000	5,000	8,000	22,000
				71300	CCD Specialist	9,000	5,000	8,000	22,000
				71300	FCCC Specialist	9,000	5,000	8,000	22,000
				71300	Environmental Sociologist	5,500	5,000	5,500	16,000
				71300	International Environmental Actuarial	12,000	16,000	18,000	46,000
				71300	Environmental Lawyer	1,000	1,000	2,000	4,000
				71200	International Technical Specialist	1,500	1,500	2,000	5,000
				72100	Meeting and stakeholder consultations	12,000	7,000	8,500	27,500
				72100	Working group meetings	3,500	13,500	11,500	28,500
					Total Outcome 1	67,500	65,000	77,500	210,000

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)
COMPONENT 2: Strengthening the Development Consent Process to more effectively mainstream Rio Convention obligations	MEWR	62000	GEF	71300	Public Administration Specialist	10,000	9,000	7,500	26,500
				71300	CBD Specialist	4,000	6,000	2,000	12,000
				71300	CCD Specialist	4,000	6,000	2,000	12,000
				71300	FCCC Specialist	4,000	6,000	2,000	12,000
				71300	Environmental Sociologist	5,000	7,000	4,000	16,000
				71300	International Environmental Actuarian	8,000	17,500	10,500	36,000
				71300	Environmental Lawyer	5,000	6,000	7,000	18,000
				71200	International Technical Specialist	1,000	3,000	1,000	5,000
				72100	Meeting and stakeholder consultations	10,500	40,000	33,000	83,500
				72100	Training workshop venue costs	0	10,000	11,000	21,000
				72100	Working group meetings	2,000	2,000	3,000	7,000
					Total Outcome 2	53,500	112,500	83,000	249,000
GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)
Project Management	MEWR	62000	GEF	71200	International Evaluation Expert	0	0	10,000	10,000
				71300	Project Assistant	6,000	6,000	6,000	18,000
				73120	Office facilities and communications	500	500	0	1,000
				71600	Travel	0	0	5,000	5,000
				71400	Professional Services (Audit)	500	500	1,000	2,000
				74500	UNDP cost recovery charges - Bills	2,000	1,500	1,500	5,000
					Total Outcome 3	9,000	8,500	23,500	41,000
Total Project					Total Project	130,000	186,000	184,000	500,000
Percentage allocated per year						26.0	37.2	36.8	100

Annex 7: Terms of References

The following Terms of Reference outlines the general responsibilities to be carried out by consultants contracted under the project.

Background

The United Nations Development Programme, acting as an implementing agency of the Global Environment Facility, is providing assistance to the Ministry of Environment and Water Resources under the Government of Kazakhstan in the preparation of the GEF Medium Size Project “Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements”.

The economic valuation of natural resources has gained much traction in recent years as a way of quantifying the impacts of climate change, land degradation, and to a certain extent, biodiversity loss. The essential foundation for adequate policy response as well as timely and appropriate national decision-making processes is predicated on a clearer understanding of the economic costs and opportunities related to shared environmental goods and services. Hence, the issue has both global and national priority dimensions. The proposed project addresses convention obligations related to the development of economic indicators of costs and benefits of ecosystem goods and services under the three main focal areas: Biodiversity, Climate Change and Land Degradation. It specifically fits under the second (2) strategic objective of the Cross Cutting Capacity Development strategy developed under GEF-5, i.e., “to generate, access, and use information and knowledge”.

Project Goal and Objectives

The goal of this project is to put in place new approaches that will facilitate better development decisions for the global environment. To that end, the project objective will undertake a targeted set of activities to develop technical and institutional capacities for undertaking an economic valuation of global environmental goods and services as potentially impacted by proposed development policies, programmes, plans and projects. Specifically, the project will develop natural resource valuation tools for valuing global environmental benefits; provide training and learn-by-doing exercises on their use; and help institutionalize natural resource valuation.

The expected outcomes of this project are: 1) Decisions to protect the global environment are better enabled and, 2) Technical and management staff sufficiently trained in the use and application of natural resource valuation tools, and decision-makers fully aware of natural resource valuation tools.

Project Strategy

The incremental approach to this project lies in building upon the high-level commitment of the Government to pursue the country’s seven-year action plan for a Green Economy. From the start, this project enjoys significant political commitment and will to pursue the project’s baseline. The barriers to good environmental governance for the global environment are fundamentally an issue of accessing good knowledge and having a good system by which to make best use of this knowledge. Through improved planning and decisions consistent with the principles of a Green Economy, sustainable development can increasingly take on a global environmental character.

From an innovative perspective, valuing natural resources from a global environmental lens is not all the new. Global environmental values from a social and economic perspective are already well-known, such as the loss of life after increased climatic events. Another example is the loss of productivity arising from land degradation. Opportunity costs are largely the manner in which the global environment needs further valuation. At present, the value of global environmental goods and services is calculated using net present value that inherently discounts their true importance. This includes the provision of clean water and clean air by wetlands and forests, respectively. Natural resources are generally valued according to their present economic value, such as forests for the timber it provides as a marketable commodity.

This project is strategic and transformative through its adaptive collaborative management approach that is part of the design of project activities. If best practices and innovative approaches that integrate the global environment into Green Economy are successful, this project can contribute to a large-scale transformation of Kazakhstan's economy to one that is truly sustainable. The activities of the private sector will be better enabled through the government's Green Economy screening processes to reduce their negative impact on the global environment. Given that the global environment is largely at risk from development choices, this project, if successful, could help transform Kazakhstan's approach to economic development to one that is truly environmentally sound and sustainable from a global environmental perspective.

Project Outcomes and Components

At the end of the project, the project will have resulted in improved capacities for meeting global environmental priorities. This general outcome will be measured by a variety of indicators, characterized as outputs, process, and performance indicators. Output indicators include the actual development and application of natural resource valuation tools and methodologies. Process indicators include the very important collaboration among government agencies and authorities to mainstream natural resource valuation through institutional and legislative reforms. This project is organized into two linked components.

Component 1: Development and application of natural resource valuation

This component focuses on the development of a set of natural resource valuation tools that will be calibrated to meeting Rio Convention obligations. Activities will take a learn by doing approach to train staff and stakeholders on the use of natural resource valuation as a part of screening and environmental impact assessment processes. This component will also facilitate agreements with key stakeholders on how best to integrate the new valuation tools into national and local decision-making processes. Valuation tools will also be used to address other non-Rio Convention MEAs that will be co-financed by the Government of Kazakhstan.

Component 2: Institutionalizing natural resource valuation

Whereas the first component focuses on developing and providing training on the use of natural resource valuation for the global environment, Component 2 focuses on the institutionalization of these capacities. This will be achieved through the learn-by-doing piloting of natural resource valuation within a specific high-value development project for a particular sector. In addition to engaging as many people as possible in the sensitization and training activities and the learn-by-doing exercises, the institutionalization of natural resource valuation may necessitate key legislative and institutional reforms. Under this component, the project will draft the necessary bills for parliamentary approval. Since there is the possibility that these reforms may not be approved or instituted during the project implementation period, the project will secure an appropriate level of formal agreement for inter-agency and stakeholder collaboration to use natural resource valuation.

Responsibilities

National Project Director (NPD)

The Government of Kazakhstan must appoint a national director for this UNDP-supported project. The National Project Director supports the project and acts as a focal point on the part of the Government. This responsibility normally entails ensuring effective communication between partners and monitoring of progress towards expected results.

The National Project Director is the party that represents the Government's *ownership* and *authority* over the project, *responsibility* for achieving project objectives and the *accountability* to the Government and UNDP for the use of project resources.

In consultation with UNDP, the Ministry of Environment and Water Resources, as the concerned ministry, will designate the National Project Director from among its staff at not lower than the Deputy Minister or Head of Department level. The National Project Director will be supported by a part-time National Project Manager.

Duties and Responsibilities of the NPD

The NPD will have the following duties and responsibilities:

- a. Assume overall responsibility for the successful execution and implementation of the project, accountability to the Government and UNDP for the proper and effective use of project resources)
- b. Serve as a focal point for the coordination of projects with other Government agencies, UNDP and outside implementing agencies;
- c. Ensure that all Government inputs committed to the project are made available;
- d. Supervise the work of the Project Manager and ensure that the Project Manager is empowered to effectively manage the project and other project staff to perform their duties effectively;
- e. Select and arrange, in close collaboration with UNDP, for the appointment of the Project Manager (in cases where the Project Manager has not yet been appointed);
- f. Supervise the preparation of project work plans, updating, clearance and approval, in consultation with UNDP and other stakeholders and ensure the timely request of inputs according to the project work plans;
- g. Represent the Government institution (national counterpart) at the tripartite review project meetings, and other stakeholder meetings.

Remuneration and entitlements:

The National Project Director may not receive monetary compensation from project funds for the discharge of his/her functions.

National Project Manager

A part-time Project Manager will be assigned from the “Support to the Government of Kazakhstan for Implementation of the Green Economy Concept” project to oversee the project implementation under the guidance of the NPD, the Project Advisory Board, and with the support of UNDP Kazakhstan. As a government employee, the Project Manager can not be recruited as a consultant under the project, and will work closely with the Public Administration Expert that will be recruited as a national consultant. In addition to overseeing the implementation of the project’s capacity development activities, the project management will carry out the monitoring and evaluation procedures per UNDP agreed policies and procedures. These include:

- Oversee the day-to-day monitoring of project implementation
- In consultation with stakeholders, recommend modifications to project management to maintain project’s cost-effectiveness, timeliness, and quality project deliverables (adaptive collaborative management) to be approved by the Project Advisory Board
- Prepare all required progress and management reports, e.g., APR/PIR and project initiation report
- Support all meetings of the Project Advisory Board
- Maintain effective communication with project partners and stakeholders to dissemination project results, as well as to facilitate input from stakeholder representatives as project partners
- Support the independent terminal evaluation
- Ensure full compliance with the UNDP and GEF branding policy

Project Assistant

The Project Assistant will also be assigned from among the staff of MEWR to support the Project Manager in the carrying out of his/her duties, which will include:

- a. Organizational and logistical issues related to project execution per UNDP guidelines and procedures
- b. Record keeping of project documents, including financial in accordance with audit requirements
- c. Ensure all logistical arrangements are carried out smoothly
- d. Assist Project Manager in preparation and update of project work plans in collaboration with the UNDP Country Office
- e. Facilitate timely preparation and submission of financial reports and settlement of advances, including progress reports and other substantial reports
- f. Report to the Project Manager and UNDP Programme Officer on a regular basis
- g. Identification and resolution of logistical and organizational problems, under the guidance of the Project Manager

The Project Assistant will have at least five (5) years' experience in supporting the implementation of UNDP implemented projects, with preference in environment and natural resource management projects.

Public Administration Expert (National)

The individual recruited as the Public Administration Expert will be recruited for an estimated 44 weeks. He/she will work with the Project Manager as well as the international environmental actuary specialist and other national and international specialists to assess and institutionalize the natural resource valuation tools within Ministry of Environment and Water Resources as well as within the partner government departments and other stakeholder organizations' decision-making processes. He/she will work with the international environmental actuary specialist to undertake the in-depth baseline assessment of the current best practices for natural resource valuation that could be replicated in Kazakhstan as well as to design the institutional architecture for integrating the valuation tools. This expert will also work with the legal expert to assess and recommend institutional and associated regulatory reforms to be submitted for Parliamentary approval, as well as work of the Rio Convention experts through the expert working groups, as well serve as a resource person and facilitator for the training and learn-by-doing working groups.

The Public Administration Expert will have a post-graduate degree in public administration or related field, and have a minimum of ten (10) years' experience in progressively responsible and substantive areas in environmental and natural resource governance programming and planning.

National Consultant on the Convention on Biological Diversity

This national consultant will be responsible for those project activities that require expertise on interpreting and translating CBD obligations into national programmable activities. The consultant will prepare the appropriate technical background studies, as well as also serve as a facilitator in the trainings on using valuation tools to meet biodiversity conservation objectives, with particular emphasis on endangered endemic species and their ecosystems.

The CBD national consultant will have at least 10 years of work experience in biodiversity conservation programming and project implementation. At least the last two (2) years of experience include active involvement in CBD negotiations. He/she will have a PhD in natural resource management, with a specialization directly related to biodiversity conservation in Kazakhstan and/or the neighboring region. Under the supervision of the Project Manager, the specialist will coordinate his/her work with that of other national experts and specialists. This includes coordinating activities with those under

implementation by the development partners. An estimated 34 weeks have been budgeted for undertaking project activities.

National Consultant on the Convention on Desertification and Drought

This national consultant will be responsible for those project activities that require expertise on interpreting and translating CCD obligations into national programmable activities. The national consultant will prepare the appropriate technical background studies, as well as also serve as a facilitator in the trainings on using valuation tools to meet land degradation objectives, with particular emphasis on sustainable land management and land degradation.

The CCD national consultant will have at least 10 years of work experience, of which at least the last two (2) years include active involvement in CCD programming and project implementation. He/she will have a PhD in natural resource management, with a specialization directly related to land management issues in Kazakhstan and/or the surrounding region. Under the supervision of the Project Manager, the specialist will coordinate his/her work with that of other national experts and specialists. This includes coordinating activities with those under implementation by the development partners. An estimated 34 weeks have been budgeted for undertaking project activities.

National Consultant on the Framework Convention on Climate Change

This national consultant will be responsible for those project activities that require expertise on interpreting and translating FCCC obligations into national programmable activities. The national consultant will prepare the appropriate technical background studies, as well as also serve as a facilitator in the trainings on using valuation tools to meet climate change mitigation and mitigation objectives, with particular emphasis on endangered endemic species and their ecosystems.

The FCCC national consultant will have at least 10 years of work experience, of which at least the last two (2) years include active involvement in FCCC programming and project implementation. He/she will have a PhD in a field directly relevant to climate change science, with a specialization directly related to mitigation and adaptation strategies relevant to Kazakhstan and/or the surrounding region. Under the supervision of the Project Manager, the specialist will coordinate his/her work with that of other national experts and specialists. This includes coordinating activities with those under implementation by the development partners. An estimated 34 weeks have been budgeted for undertaking project activities

Environmental Sociologist (National)

The Environmental Sociologist will support the project by contributing to the identification and assessment of best practices and innovations for mainstreaming, paying close attention to socio-economic implications. This includes the analyses related to the best practices and lessons learned report. He/she will take the lead in developing and implementing the evaluations for training programmes and workshops as well as undertaking a statistical analysis of evaluation results. This specialist will also help design the awareness material and serve as a resource person for awareness-raising activities such as dialogues, brochure development, and workshops. An important early task of the Environmental Sociologist is to develop appropriate indicators of gender equality per UNDP's 2013-2017 Strategic Plan and widely accepted best practices that will be tracked regularly throughout project implementation.

The Environmental Sociologist will have a PhD in environmental sociology, with demonstrated experience in constructing and implementing surveys, as well as their statistical analysis on trends in environmental values and attitudes. An estimated 32 weeks have been budgeted for undertaking project activities by this national expert.

Environmental Lawyer (National)

The Environmental Lawyer will contribute to the substantive work under the project by assessing the policy and legal implications of Rio Convention instituting natural resource valuation into government planning and development frameworks, as well as among key agencies and other stakeholder

organizations. He/she will work with the Public Administration Specialist as well as with the others, as appropriate to draft and negotiate an appropriate form of agreement to use natural resource valuation techniques, as well as draft the bills that need Parliamentary approval.

The Environmental Lawyer will have a post-graduate degree in law, with a specialization on environmental law and policy of Kazakhstan. S/he will have to have a minimum of ten (10) years' experience in progressively responsible and substantive areas in environmental and natural resource governance programming and planning. An estimated 22 weeks have been budgeted for undertaking project activities by this national expert.

International Environmental Actuary Specialist

This Specialist will be support the project by contributing to the sectoral analyses and co-facilitate the targeted mainstreaming of Rio Conventions. He/she will take the lead on developing a set of tools to value environmental goods and services and will also provide support, along with other national consultants, in other project activities such as the training sessions on the use of natural resource valuation in EIA sector guidelines, among other activities. This specialist will also take the lead in developing a resource mobilization strategy along with other members of the expert working group.

The Specialist will have a post-graduate degree in environmental economics with a specialization in actuary science, preferably a PhD, with demonstrated experience in analyzing and developing national economic policies and development programmes. He/she will have experience in facilitating expert and stakeholder working groups in the collaborative drafting of sector policies. An estimated 27 weeks have been budgeted for undertaking project activities by this expert. A fluent Russian speaker is highly desirable.

International Technical Specialist

An international technical specialist will be recruited for an estimated 12 weeks to provide necessary technical advisory services on the implementation and adaptive collaborative management of key project activities. He/she will also provide inputs on the recommendations to develop, integrate, and institutionalize natural resource valuation and related Rio Convention obligations into decision-making, as well as the ad. These services will be provided over the course of the three-year implementation period to provide technical backstopping to help ensure the timely and high quality project delivery.

International Evaluation Consultant

The international evaluation consultant will be an independent expert that is contracted to assess the extent to which the project has met project objectives as stated in the project document and produced cost-effective deliverables. The consultant will also rate capacities developed under the project using the Capacity Development Scorecard.

The Terms of Reference for the International Evaluation Consultant will follow the UNDP/GEF policies and procedures, and together with the final agenda will be agreed upon by the UNDP/GEF RCU, UNDP Country Office and the Project Team. The final report will be cleared and accepted by UNDP (Country Office and Regional Coordination Unit) before being made public.

Annex 8: Environmental and Social Review Criteria

QUESTION 1:

Has a combined environmental and social assessment/review that covers the proposed project already been completed by implementing partners or donor(s)?

Select answer below and follow instructions:

- ☒ **NO** → Continue to Question 2 (do not fill out Table 1.1)
- ☐ **YES** → No further environmental and social review is required if the existing documentation meets UNDP's quality assurance standards, and environmental and social management recommendations are integrated into the project. Therefore, you should undertake the following steps to complete the screening process:
1. Use Table 1.1 below to assess existing documentation. (It is recommended that this assessment be undertaken jointly by the Project Developer and other relevant Focal Points in the office or Bureau).
 2. Ensure that the Project Document incorporates the recommendations made in the implementing partner's environmental and social review.
 3. Summarize the relevant information contained in the implementing partner's environmental and social review in Annex A.2 of this Screening Template, selecting Category 1.
 4. Submit Annex A to the PAC, along with other relevant documentation.

TABLE 1.1: CHECKLIST FOR APPRAISING QUALITY ASSURANCE OF EXISTING ENVIRONMENTAL AND SOCIAL ASSESSMENT	Yes/No
1. Does the assessment/review meet its terms of reference, both procedurally and substantively?	
2. Does the assessment/review provide a satisfactory assessment of the proposed project?	
3. Does the assessment/review contain the information required for decision-making?	
4. Does the assessment/review describe specific environmental and social management measures (e.g., mitigation, monitoring, advocacy, and capacity development measures)?	
5. Does the assessment/review identify capacity needs of the institutions responsible for implementing environmental and social management issues?	
6. Was the assessment/review developed through a consultative process with strong stakeholder engagement, including the view of men and women?	
7. Does the assessment/review assess the adequacy of the cost of and financing arrangements for environmental and social management issues?	
Table 1.1 (continued) For any "no" answers, describe below how the issue has been or will be resolved (e.g., amendments made or supplemental review conducted).	

QUESTION 2:

Do **all** outputs and activities described in the Project Document fall within the following categories?

- ☐ Procurement (in which case UNDP's [Procurement Ethics](#) and [Environmental Procurement Guide](#) need to be complied with)
- ☐ Report preparation
- ☐ Training
- ☐ Event/workshop/meeting/conference (refer to [Green Meeting Guide](#))
- ☐ Communication and dissemination of results

Select answer below and follow instructions:

☒ **NO** → Continue to Question 3

☐ **YES** → No further environmental and social review required. Complete Annex A.2, selecting Category 1, and submit the completed template (Annex A) to the PAC.

QUESTION 3:

Does the proposed project include activities and outputs that support *upstream* planning processes that potentially pose environmental and social impacts or are vulnerable to environmental and social change (refer to Table 3.1 for examples)? (Note that *upstream* planning processes can occur at global, regional, national, local and sectoral levels)

Select the appropriate answer and follow instructions:

☐ **NO** → Continue to Question 4.

☒ **YES** → Conduct the following steps to complete the screening process:

1. Adjust the project design as needed to incorporate UNDP support to the country(ies), to ensure that environmental and social issues are appropriately considered during the upstream planning process. Refer to Section 7 of this Guidance for elaboration of environmental and social mainstreaming services, tools, guidance and approaches that may be used.
2. Summarize environmental and social mainstreaming support in Annex A.2, Section C of the Screening Template and select "Category 2".
3. If the proposed project ONLY includes upstream planning processes then screening is complete, and you should submit the completed Environmental and Social Screening Template (Annex A) to the PAC. If downstream implementation activities are also included in the project then continue to Question 4.

TABLE 3.1 EXAMPLES OF UPSTREAM PLANNING PROCESSES WITH POTENTIAL DOWNSTREAM ENVIRONMENTAL AND SOCIAL IMPACTS	Check appropriate box(es) below
1. Support for the elaboration or revision of global-level strategies, policies, plans, and programmes. <i>For example, capacity development and support related to international negotiations and agreements. Other examples might include a global water governance project or a global MDG project.</i>	
2. Support for the elaboration or revision of regional-level strategies, policies and plans, and programmes. <i>For example, capacity development and support related to transboundary programmes and planning (river basin management, migration, international waters, energy development and access, climate change adaptation etc.).</i>	X
3. Support for the elaboration or revision of national-level strategies, policies, plans and programmes. <i>For example, capacity development and support related to national development policies, plans, strategies and budgets, MDG-based plans and strategies (e.g., PRS/PRSPs, NAMAs), sector plans.</i>	X
4. Support for the elaboration or revision of sub-national/local-level strategies, policies, plans and programmes. <i>For example, capacity development and support for district and local level development plans and regulatory frameworks, urban plans, land use development plans, sector plans, provincial development plans, investment funds, provision of services, technical guidelines and methods, stakeholder engagement.</i>	X

QUESTION 4:

Does the proposed project include the implementation of *downstream* activities that potentially pose environmental and social impacts or are vulnerable to environmental and social change?

To answer this question, you should first complete Table 4.1 by selecting appropriate answers. If you answer “No” or “Not Applicable” to all questions in Table 4.1 then the answer to Question 4 is “NO.” If you answer “Yes” to any questions in Table 4.1 (even one “Yes” can indicated a significant issue that needs to be addressed through further review and management) then the answer to Question 4 is “YES”:

☐ **NO** → No further environmental and social review and management required for downstream activities. Complete Annex A.2 by selecting “Category 1”, and submit the Environmental and Social Screening Template to the PAC.

☒ **YES** → Conduct the following steps to complete the screening process:

1. Consult Section 8 of this Guidance, to determine the extent of further environmental and social review and management that might be required for the project.
2. Revise the Project Document to incorporate environmental and social management measures. Where further environmental and social review and management activity cannot be undertaken prior to the PAC, a plan for undertaking such review and management activity within an acceptable period of time, post-PAC approval (e.g., as the first phase of the project) should be outlined in Annex A.2.
3. Select “Category 3” in Annex A.2, and submit the completed Environmental and Social Screening Template (Annex A) and relevant documentation to the PAC.

TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT		Answer (Yes/No/ Not Applicable)
1. Biodiversity and <u>Natural</u> Resources		
1.1	Would the proposed project result in the conversion or degradation of <u>modified habitat</u> , <u>natural habitat</u> or <u>critical habitat</u> ?	No
1.2	Are any development activities proposed within a legally protected area (e.g., natural reserve, national park) for the protection or conservation of biodiversity?	No
1.3	Would the proposed project pose a risk of introducing invasive alien species?	No
1.4	Does the project involve natural forest harvesting or plantation development without an independent forest certification system for sustainable forest management (e.g., <i>PEFC, the Forest Stewardship Council certification systems, or processes established or accepted by the relevant National Environmental Authority</i>)?	No
1.5	Does the project involve the production and harvesting of fish populations or other aquatic species without an accepted system of independent certification to ensure sustainability (e.g., <i>the Marine Stewardship Council certification system, or certifications, standards, or processes established or accepted by the relevant National Environmental Authority</i>)?	No
1.6	Does the project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction.</i>	No
1.7	Does the project pose a risk of degrading soils?	No
2. Pollution		
2.1	Would the proposed project result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and transboundary impacts?	No
2.2	Would the proposed project result in the generation of waste that cannot be recovered, reused, or disposed of in an environmentally and socially sound manner?	No
2.3	Will the proposed project involve the manufacture, trade, release, and/or use of chemicals and hazardous materials subject to international action bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Convention on Persistent Organic Pollutants, or the Montreal Protocol.</i>	No
2.4	Is there a potential for the release, in the environment, of hazardous materials resulting from their production, transportation, handling, storage and use for project activities?	No
2.5	Will the proposed project involve the application of pesticides that have a known negative effect on the environment or human health?	No
3. Climate Change		
3.1	Will the proposed project result in significant ¹¹ greenhouse gas emissions? <i>Annex E provides additional guidance for answering this question.</i>	No

¹¹ Significant corresponds to CO₂ emissions greater than 100,000 tons per year (from both direct and indirect sources). Annex E provides additional guidance on calculating potential amounts of CO₂ emissions.

3.2	Is the proposed project likely to directly or indirectly increase environmental and social vulnerability to climate change now or in the future (also known as maladaptive practices)? You can refer to the additional guidance in Annex C to help you answer this question. <i>For example, a project that would involve indirectly removing mangroves from coastal zones or encouraging land use plans that would suggest building houses on floodplains could increase the surrounding population's vulnerability to climate change, specifically flooding.</i>	No
4.	Social Equity and Equality	
4.1	Would the proposed project have environmental and social impacts that could affect indigenous people or other vulnerable groups?	No
4.2	Is the project likely to significantly impact gender equality and women's empowerment ¹² ?	No
4.3	Is the proposed project likely to directly or indirectly increase social inequalities now or in the future?	No
4.4	Will the proposed project have variable impacts on women and men, different ethnic groups, social classes?	No
4.5	Have there been challenges in engaging women and other certain key groups of stakeholders in the project design process?	No
4.6	Will the project have specific human rights implications for vulnerable groups?	No
5.	Demographics	
5.1	Is the project likely to result in a substantial influx of people into the affected community(ies)?	No
5.2	Would the proposed project result in substantial voluntary or involuntary resettlement of populations? <i>For example, projects with environmental and social benefits (e.g., protected areas, climate change adaptation) that impact human settlements, and certain disadvantaged groups within these settlements in particular.</i>	No
5.3	Would the proposed project lead to significant population density increase that could affect the environmental and social sustainability of the project? <i>For example, a project aiming at financing tourism infrastructure in a specific area (e.g., coastal zone, mountain) could lead to significant population density increase that could have serious environmental and social impacts (e.g., destruction of the area's ecology, noise pollution, waste management problems, greater work burden on women).</i>	No
6.	Culture	
6.1	Is the project likely to significantly affect the cultural traditions of affected communities, including gender-based roles?	No
6.2	Will the proposed project result in physical interventions (during construction or implementation) that would affect areas that have known physical or cultural significance to indigenous groups and other communities with settled recognized cultural claims?	No
6.3	Would the proposed project produce a physical "splintering" of a community? <i>For example, through the construction of a road, powerline, or dam that divides a community.</i>	No

¹² Women are often more vulnerable than men to environmental degradation and resource scarcity. They typically have weaker and insecure rights to the resources they manage (especially land), and spend longer hours on collection of water, firewood, etc. (OECD, 2006). Women are also more often excluded from other social, economic, and political development processes.

7. Health and Safety	
7.1 Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions? <i>For example, development projects located within a floodplain or landslide prone area.</i>	No
7.2 Will the project result in increased health risks as a result of a change in living and working conditions? In particular, will it have the potential to lead to an increase in HIV/AIDS infection?	No
7.3 Will the proposed project require additional health services including testing?	No
8. Socio-Economics	
8.1 Is the proposed project likely to have impacts that could affect women's and men's ability to use, develop and protect natural resources and other natural capital assets? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their development, livelihoods, and well-being?</i>	No
8.2 Is the proposed project likely to significantly affect land tenure arrangements and/or traditional cultural ownership patterns?	No
8.3 Is the proposed project likely to negatively affect the income levels or employment opportunities of vulnerable groups?	No
9. Cumulative and/or Secondary Impacts	
9.1 Is the proposed project location subject to currently approved land use plans (e.g., roads, settlements) that could affect the environmental and social sustainability of the project? <i>For example, future plans for urban growth, industrial development, transportation infrastructure, etc.</i>	N/A
9.2 Would the proposed project result in secondary or consequential development that could lead to environmental and social effects, or would it have potential to generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested land will generate direct environmental and social impacts through the cutting of forest and earthworks associated with construction and potential relocation of inhabitants. These are direct impacts. In addition, however, the new road would likely also bring new commercial and domestic development (houses, shops, businesses). In turn, these will generate indirect impacts. (Sometimes these are termed "secondary" or "consequential" impacts). Or if there are similar developments planned in the same forested area then cumulative impacts need to be considered.</i>	Yes

ANNEX A.2: ENVIRONMENTAL AND SOCIAL SCREENING SUMMARY

(To be filled in after Annex A.1 has been completed)

Name of Proposed Project: Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements

A. Environmental and Social Screening Outcome

Select from the following:

☐ Category 1: No further action is needed

☒ Category 2: Further review and management is needed. There are possible environmental and social benefits, impacts, and/or risks associated with the project (or specific project component), but these are predominantly indirect or very long-term and so extremely difficult or impossible to directly identify and assess.

☐ Category 3: Further review and management is needed, and it is possible to identify these with a reasonable degree of certainty. If Category 3, select one or more of the following sub-categories:

☐ Category 3a: Impacts and risks are limited in scale and can be identified with a reasonable degree of certainty and can often be handled through application of standard best practice, but require some minimal or targeted further review and assessment to identify and evaluate whether there is a need for a full environmental and social assessment (in which case the project would move to Category 3b).

☐ Category 3b: Impacts and risks may well be significant, and so full environmental and social assessment is required. In these cases, a scoping exercise will need to be conducted to identify the level and approach of assessment that is most appropriate.

B. Environmental and Social Issues (for projects requiring further environmental and social review and management)

In this section, you should list the key potential environmental and social issues raised by this project. This might include both environmental and social opportunities that could be seized on to strengthen the project, as well as risks that need to be managed. You should use the answers you provided in Table 4.1 as the basis for this summary, as well as any further review and management that is conducted.

The strategic design of this project stems from the high commitment by the President of Kazakhstan to the pursuit of a Green Economy. Specifically, this project will do so by strengthening the use of natural resource valuation tools and related global environmental indicators in development decision-making and planning. These will be integrated within the EIA process and associated processes, complemented by their piloting in a selected development sector. One of the potential impacts is that socio-economic opportunities are not realized because of the increased attention to the need for addressing environmental sustainability and meeting global environmental obligations.

C. Next Steps (for projects requiring further environmental and social review and management):

In this section, you should summarize actions that will be taken to deal with the above-listed issues. If your project has Category 2 or 3 components, then appropriate next steps will likely involve further environmental and social review and management, and the outcomes of this work should also be summarized here. Relevant guidance should be obtained from Section 7 for Category 2, and Section 8 for Category 3

The very purpose of piloting the capacities developed under the project through a selected development plan is to assess the extent to which the project is making a contribution to environmental sustainability, and in particular measurable global environmental targets. On the other side of the coin, the other purpose of the piloting exercise is to assess the extent of negative socio-economic impacts. In both instances, project monitoring is to pay particular attention to the piloting and to learn lessons so that global environmental indicators will be an integral part of the decision and planning processes towards achieving a Green Economy. Activity 2.1.3 serves this very purpose in that the lessons learned will be used to modify the use of natural resource valuation, their associated tools and the decision-making and planning processes. UNDP's M&E policies and procedures will also complement this evaluation in order to inform the adaptive collaborative management of the project.

D. Sign Off

Project Manager

Date:

PAC

Date:

Programme Manager

Date:

Annex 9: PDF/PPG Status Report

STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN:

The activities undertaken within the framework of PPG were directed towards the design and development of the medium size project “Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements.”

The project preparation stage envisioned the preliminary analysis Kazakhstan’s policy and institutional field as they relate to decisions and plans for promoting a Green Economy, with particular reference to the baseline capacities for meeting Rio Convention obligations. This analysis served as the basis for on-going stakeholder consultations to determine the most appropriate opportunities for strengthening targeted capacities to blend national development priorities as framed by the 2013 Green Economy Concept, and is also expected to serve as a contribution to good practices under the Green Bridge Partnership Programme.

The background analysis was undertaken by a locally recruited consultant, and supported by the UNDP Country Office. The project strategy was developed by the International Consultant and vetted by national stakeholders at a validation workshop, after which the project document was finalized and the submission package completed.

B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

The findings obtained during the preparatory phase confirmed that the approach identified during the PIF stage remains valid. However, UNDP was not able to provide cash co-financing due to the very limited amount of TRAC resources, all of which had already been committed prior to the development of this project. Notwithstanding, UNDP Kazakhstan is implementing a number of non-GEF financed projects that are complementary to the project’s objective. During CCCD implementation, in-kind resources will be made available to support parallel activities, such as co-organizing workshops and joint field missions for the pilot project. Although the Government of Kazakhstan is not providing any cash co-financing, the in-kind co-financing is very significant as it represents a significant leveraged commitment to integrate Rio Convention obligations through the difficult exercise of improving entrenched ways of decision-making and planning that heretofore largely marginalized environmental concerns in favour of industrial and economic growth. This in-kind contribution represents the commitment of government staff as well as non-state stakeholders to be actively engaged in the training and piloting exercises surrounding natural resource valuation and EIA reforms.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF Amount (\$)</i>		
	<i>Budgeted Amount (\$)</i>	<i>Amount Spent to date(\$)</i>	<i>Amount Committed (\$)</i>
Preliminary assessments of the policy, legal and institutional framework	5,000	5,000	0
Preparation of MSP document per UNDP/GEF guidelines;	15,000	1,640	13,360

Facilitation of Validation workshop			
Stakeholder consultations and Validation workshop, plus communications, printing	5,000	3,150	1,850
Total	25,000	9,790	15,210

Annex 10: Complementary Programmes and Projects

In addition to the programmes and projects outlined in the project document, there are a number of other on-going initiatives in Kazakhstan that will complement this cross-cutting capacity development project. These include, but are not limited to:

World Bank has an on-going project titled *Forest Protection and Rehabilitation Project* that has a total budget of US\$ 63.80 million and is set to finish November 28, 2014. This project is designed to help Kazakhstan develop cost-effective and sustainable environmental rehabilitation and management of targeted forests and associated rangelands. Additionally, the project aims to improve government policy development and decision-making as well as increase public support for improved forest and rangeland management (World Bank, 2014).

Another on-going World Bank project, the *Ust-Kamenogorsk Environmental Remediation Project*, seeks to prevent groundwater contamination and strengthen institutional mechanisms for groundwater quality monitoring to control pollution and enable the effective remediation of five priority industrial waste dump sites. This project is set to end in December 2014 (World Bank, 2014).

Supporting the Extractive Industries Transparency Initiative is a project implementation by the World Bank. Kazakhstan is now compliant with the Extractive Industries Transparency Initiative. This initiative requires the disclosure of revenues from extraction of natural resources in order to improve transparency in the government and industry. To maintain compliance, Kazakhstan is involved with on-going reporting on the status of the extractive industries and the provision of disaggregated data that includes social investments. The next EITI Report is due in 2015, while the deadline for the next validation will be in 2017 (EITI, 2014).

Sustainable cities (2011 – 2016): This UNDP project will focus on reducing country greenhouse gas emissions by laying the foundation for a transition to low-carbon communities through development of a national framework for low-carbon planning and piloting of carbon reduction strategies on a local level.

Energy-Efficient Design and Construction of Residential Buildings (2010-2015): The goal of this project is to decrease GHG emissions from new residential buildings by transforming practices and markets in the building sector of Kazakhstan towards more energy-efficient design and construction. The proposed project will include four components, each targeting specific barriers and stakeholders: 1. development and enforcement of energy-efficient codes, standards, and labels for buildings; 2. expanded production and certification of energy-efficient building materials and products; 3. education and outreach to promote energy-efficient building design and technology; and 4. Demonstration projects on energy-efficient building design and construction. The project has a total budget of US\$ 32,463,840 and is being implemented by MEWR and Ministry of Industry and New Technologies.

Annex 11: References

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**ANNEX 12: STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT
FOR THE PROVISION OF SUPPORT SERVICES**

Dear Mr. Kapparov,

1. Reference is made to consultations between officials of the Ministry of Environment and Water Resources of the Republic of Kazakhstan (hereinafter referred to as “the Ministry”) and officials of UNDP Kazakhstan with respect to the provision of support services by the UNDP Kazakhstan country office for nationally managed project “Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements”. UNDP and the Government hereby agree that the UNDP Kazakhstan country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
 - (a) Identification and/or recruitment of project and programme personnel;
 - (b) Identification and facilitation of training activities;
 - (a) Procurement of goods and services;
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a project

the annex to the project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.

5. The relevant provisions of the Standard basic agreement between UNDP and the Government of Kazakhstan on October 4, 1993 (the “SBAA”), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed project through the Ministry as its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the Ministry and UNDP on the terms and conditions for the provision of support services by the UNDP country office for this nationally managed project.

Yours sincerely,

Signed on behalf of UNDP Kazakhstan
Mr. Stephen Tull
Resident Representative

For the Ministry of Environment and Water Resources
Mr. Nurlan Kapparov
Minister of Environment and Water Resources of the Republic of Kazakhstan
[Date]

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between Ministry of Environment and Water Resources, the institution designated by the Government of Kazakhstan and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed GEF-funded project “Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements”.

2. In accordance with the provisions of the letter of agreement signed on [*insert date of agreement*] and the project document, the UNDP country office shall provide support services for the nationally managed GEF-funded project “Improvement of the decision-making process in Kazakhstan through introduction of mechanisms of economic assessment of fulfilling national obligations under global environmental agreements” as described below.

3. Support services will be provided as specified in UNDP Kazakhstan Universal Price List (attached) for the support services locally provided valid as of [*insert date*]

PART III: GEF LETTERS OF ENDORSEMENT AND CO-FINANCING

ANNEX A GEF ENDORSEMENT LETTER

ANNEX B LETTERS OF CO-FINANCING

Letters are attached in a separate attachment.