

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ
АУЫЛ ШАРУАШЫЛЫҒЫ
МИНИСТРЛІГІ

ОРМАН ШАРУАШЫЛЫҒЫ ЖӘНЕ
ЖАНУАРЛАР ДҮНИЕСІ
КОМИТЕТІ



МИНИСТЕРСТВО
СЕЛЬСКОГО ХОЗЯЙСТВА
РЕСПУБЛИКИ КАЗАХСТАН

КОМИТЕТ
ЛЕСНОГО ХОЗЯЙСТВА И
ЖИВОТНОГО МИРА

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21.04.2016 № 17-1-35/1561-и

To: Germany Council Member in Global Environment Facility,

Mr Philipp Knill, Mr. Samuel Germain

CC: UNDP Ms. Adriana Dinu, Ms. Midori Paxton, Mr. Maxim Vergeichik, Ms. Tuya Altangerel

GEF Secretariat Dr. Gustavo Fonseca, Dr. Ulrich Apel

Dear Mr. Knill,

The Government of Kazakhstan avails itself of the opportunity to renew to the GEF secretariat and GEF council member from Germany the assurance of its highest consideration.

The Government of Kazakhstan has been informed of the objection of Germany to our project *Conservation and sustainable management of key globally important ecosystems for multiple benefits* which was submitted through UNDP. This project is of critical importance to the Government of Kazakhstan, as it is a direct response to priorities stated in the National Strategy and Action Plan on Conservation and Sustainable Use of Biodiversity¹ It will be an on the ground application of the Biodiversity Strategy and Action Plan in the key forest (and related riparian and grassland) biodiversity priority areas targeted in the PIF (1) mountain forests and grasslands of Altai, Saur, Dzungaria, Ala-Tau and Tian Shan, (2) Riparian/Tugai forests and river floodplain ecosystems of the Charyn, Ile and Syr Daria river deltas, and (3) Saxaul shrubs and deserts of Balkhash Lake district. The concept of the project has been developed by national

¹ Kerteshev, Talgat, *et al.* (2014). *National Strategy and Action Plan on Conservation and Sustainable Use of Biodiversity*. Astana, Republic of Kazakhstan.

highly qualified experts and scientists jointly with the Committee on Forestry and Wildlife of the Ministry of Agriculture, local stakeholders, with advice from UNDP. With this letter therefore, we would like to provide clarifications that can hopefully resolve some the concerns and pave the way for consensus and project approval.

Comment 1: *As the co-financing both by CSO and the state seems highly unrealistic, inter alia due to the current economic situation in KAZ, and the status of mentioned state programs is unclear (new phase of Zhasyl Damu program has not been confirmed, the availability of funds envisaged by the Strategic Plan of the Ministry of Agriculture for 2014-2018 is unclear and the Strategy for Protected Areas System Expansion until 2030 became inoperative in 2010), Germany requests that the final proposal realistically assesses the co-financing and cooperation potentials and reflect these accordingly.*

Response 1:

As indicated in the PIF (and will be clarified again for better accuracy), the Forestry Development Sub-Program of the Strategic Plan of the Ministry of Agriculture and presently developed national long term forest sector development programme - 2030 is pursued to replace the “ZHASYL DAMU” program finished in 2014. The programme has passed through a technical and scientific council of the Committee of forestry and wildlife of the Ministry of Agriculture and is subject to be further officially submitted to the consideration of the Parliament of Kazakhstan as per the set state legal and regulatory development programme of the Republic of Kazakhstan. In turn it is expected that the parliament will enact it by the mid of this year. The Forestry Development Sub-Program of the Strategic Plan of the Ministry of Agriculture which indeed stipulates allocation of budgetary resources exceeding US\$ 113.4 for forest and protected areas system. This is clearly confirmed by the Government Resolution #449, 15 October 2015 issued by the Prime Minister of the Republic of Kazakhstan. While this is the key program related to the project, there is a number of other related ongoing inter-ministerial programs to be implemented from 2017 till 2022 with total amount of KZT 8,1 bln (USD 24 mln) directly related to supporting the forest and protected area systems in the targeted ecosystems. A graphic below, demonstrates a steady state financial support over the last five years. Furthermore, the project relies on cofinancing from local budgets. Possible cofinancing from other partners and NGOs is certainly going to be pursued at the PPG stage, should the PIF be approved. For now, a conservative estimate which sums only Government and local stakeholder funding, is presented in the annex table at the end of our letter, which should indicate that there is more than sufficient base of national baseline activities from which sufficient cofinancing can be constructed.

Comment 2: *The project addresses very different ecosystems, spread over a large geographic area, partly poorly defined in geographic terms. Intervention areas should be clearly defined and conservation values, threats and expected project impact be clearly geographically linked. As the Snow Leopard (SL) only inhabits mountain grasslands the PIF's link to the parent program is*

unclear, please provide further clarity. Germany hence suggests that there should be either a focus only on mountain ecosystems or the focus on SL should be given up.

And the related comment of STAP: STAP suggests reducing significantly the scope of the project initially, and expanding as experience is gained.

Response 2:

We appreciate the opinion and advice of the Council and the STAP with respect to the project focus. However, we would like to clarify that the project overall idea is not about any particular geographic area or any particular species, rather on three key forest and woodland ecosystem (and biotopes associated with them such as grassland and riparian ecosystems) which have outstanding biodiversity value. As is written in the project title, objective, and Summary at page 2 of the PIF:

“This project focuses on conservation and sustainable management of **three threatened ecosystems, which are outstanding for their biodiversity values, role in protecting land and water resources and services to local communities**. These are (1) mountain forests and grasslands of Altai, Saur, Dzungaria, Ala-Tau and Tian Shan, (2) Riparian/Tugai forests and river floodplain ecosystems of the Charyn, Ile and Syr Daria river deltas, and (3) Saxaul shrubs and deserts of Balkhash Lake district.”

The focusing philosophy does not therefore stem from a particular region (Alatau or any other) or a particular species (may it be snow leopard or other species), or geological perspective (mountains or valleys), but from a focus on **forests and woodlands which meet the Key Biodiversity Areas principle**. We believe the project is well justified from the point of view of addressing the GEF criteria for Key Biodiversity areas.

We do also understand that the KBA approach was used as the fundamental principle of the GEF 6 Biodiversity Strategy. In line with Program 2 of GEF Biodiversity Focal Area strategy, and based on national priorities outlined in the national biodiversity strategy and action plan, within the available/requested funding, the carefully identified the 3 types of critically important forest and shrub ecosystems. This is based on a thorough analysis considering significant level of forest and pasture ecosystem degradation, not only within just the Altai or Tian Shan mountains but equally also in the riparian and saxaul forests. The issues of detachment of communities from forest use are similar in all three types of ecosystems, as also are the issues of unsustainable use of forest and non-timber resources. In other words, in addition to the remarkable biodiversity values, the issues / threats facing these 3 types of forest/woodland ecosystems have a lot in common, and since they are falling under the jurisdiction of the Committee of Forestry and Hunting, the institutional solution base also allows to work on them effectively. Within the total funding (GEF + co-financing) addressing the threats through a cost effective and institutionally wise approach, focusing on proper community involvement, is believed to be very realistic in the context of Kazakhstan.

We had a similar approach in previous GEF projects, when the focus on wetlands included work in three different geographic areas in different parts of the country, and the focus of the deserts project similarly includes two different geographic regions. In our experience such projects which stem from an ecosystem type (in this case forests and shrubs) have no problem to be implemented successfully in the administrative and governance context of Kazakhstan. We certain agree to refine the activities and link them better to threats, and provide more concrete information on indicators. This is the work which we, in the past experience with GEF, have been undertaken at the PPG stage, and are planning to do so this time, should this PIF be approved.

With respect to mentioning of the Snow Leopard and linking it to the parent program. We are flexible with respect to seeing how it is linked to the parent program and will be happy to be guided by GEF Secretariat or GEF council. Our only intention was to explain that since one of the ecosystems targeted by the project includes mountain forest which is adjacent to grasslands, and since the project further to biodiversity also addresses land use issues (it is advocating an integrated landscape approach: complimenting protected areas with proper planning in adjacent areas), such grassland areas are important part of the landscape, and Snow Leopard is a key species present in the landscape and is, for the sake of this particular type of ecosystem (Altay and Tian Shan mountain forests and grasslands) an important focus of this component of the project.

It is not very clear to us what is meant by “partly poorly defined in geographic terms”. We re-visited the PIF again and, and learning from similar PIFs previously approved by GEF, can ascertain that at the PIF stage the plans of the project with respect to which areas in each of the 3 forest/shrub ecosystem types it is planning to work are clearly defined, provided they will be confirmed (and described in detail) at the PPG stage, which has always been the case in our previous GEF experience:

Adherence to Key Biodiversity Area/IBA/Ramsar site criteria:

Targeted areas	IBA Codes	Ramsar site codes
Mountain forests and grasslands (Snow Leopard Habitat): <ul style="list-style-type: none"> o South-West Slope of Zhetysu Ala-Tau o Saur range o Kyrgyz range o Tarbagatai 	Kz 068, Kz 069, Kz 071, Kz 072, Kz 073, Kz 074, Kz 075, Kz 076, Kz 077, Kz 078, Kz 079, Kz 098, Kz 099, Kz 100, Kz 102 (http://database.acbk.kz/iba_view.php)	
Tugai/Riparian ecosystems in Syrdarya, Charyn and Ile river basins	Kz 044, Kz 090, Kz 091, Kz 092, Kz 093, Kz 094, Kz 095, Kz 096, Kz 103	Ili River Delta and South Lake Balkhash, Lesser Aral Sea and Delta of the Syrdarya River
Saxaul ecosystems in Balkhash Lake region		Ili River Delta and South Lake Balkhash,

Comment 3: *Section A.1.1 contains factual errors and misinterpretations that affect the justification of the project based on global environmental values (esp. the status of threatened species). Some “indicator species” are generalists that are not suitable for measuring project impact. Germany strongly recommends to review this section thoroughly for factual errors and to adjust it accordingly.*

Response 3:

We are surprised to receive such an outright claim on errors and misinterpretation. The PIF was written by a group of highly qualified scientists (ornithologist, V. Kovshar, Phd., mammologist, K. Plakhov, Phd., Florist, Dr. B. Sultanova and Florist, Academician N. Ogar.) and conservation specialists, using the latest data available to us. Our understanding of the the intention of Section A.1.1., was not to describe the indicator species that will be used to measure project success, but to provide a generic description of the value of the targeted ecosystems. We have carefully revisited Section A.1.1 and can confirm that all the information presented is true, as per our records. We also would like to confirm that indicator species specific to concrete project target areas, are indeed correctly mentioned in PIF and can well be monitored within the national biodiversity monitoring system, however these will be confirmed at the PPG stage should the PIF be approved. We have identified several places where corrections need to be made on the exact Latin names of some of the species.

Should the Council possess additional data we would be grateful for scientifically based data with indication of sources of information.

Comment 4. *The PIF describes the insufficiencies of PA management and enforcement, but the aimed increase of area coverage would exacerbate this problem. Assumptions about unsustainable legal hunting quotas are poorly justified, while actual and potential benefits of well-regulated hunting are not mentioned. Serious conflicts (e.g. between forest users and PAs in the Altai region) are not mentioned. Private financing bears the risk of exploitation through influential and wealthy groups. These factors can lead to the alienation of current land users, and the reassignment of land-use rights to third parties. The viability of intended PA expansion and the associated risks for conservation and livelihoods need to be carefully assessed.*

Response 4:

Expansion of the Protected Area system in Kazakhstan is one of the country’s priorities in the implementation of the Aichi Targets. Kazakhstan is truly committed to implement all key targets of the CBD. Indeed, we do recognize that there are problems and deficiencies in the PA management system like elsewhere in the world (except for highly developed countries) and we do honestly describe our problems in the PIF. At the same time, the Kazakhstan situation should

not be underrepresented or treated as crisis: it is more effectively managed compared with other Central Asian countries. The amount of state financial disbursement is almost ten times higher than any Central Asian countries and projected amount of internal resource mobilization is at least 21 times higher than Central Asian countries. The Government of Kazakhstan has a national plan to proceed with expanding its protected areas system, simply because there is outstanding biodiversity which is not yet covered by the PA system, which is well explained in the PIF. Despite a difficult financial situation the Government remains committed to continue on this path, which can be proved by the Government Resolution #449, 15 October 2015 signed by the Prime Minister of the Republic of Kazakhstan. The GEF funding would be really incremental and valuable, as it could allow for the expanded PA system to improve its status. With GEF support in the past projects, in spite of fluctuating financial market which now effected not only Kazakhstan and happening elsewhere, the Government expand its PA estate to in the area of 1,2 mln. ha and we can confirm that not only the management of those newly created PAs has been on the high level, but those projects also had positive repercussions in the form of raising the central government understanding and skills in the area of PA management as well as were able to kick start implementation of the effective state programs designated to provide alternative livelihoods for communities living in close proximity to protected areas. Evidence of success of PA expansion approach supported by GEF projects is readily available from our reports. We hoped that, with this project we could similarly count on such incremental help from GEF.

We do mention the issues of community involvement and hunting quotas in the PIF. We understand that within the limitations of the PIF we had to be selective with respect to amount of text and justification when describing problems / issues, and are ready to do thorough analysis of these issues at the PPG stage. We would like to note, however, that we are not aware of any “serious” conflicts between forest users and protected area administrations. This is to admit the existence of the insignificant conflict between forest users and forest agencies (Leskhos) due to inappropriate forest land management adjacent to the protected area. And exactly where this project could help is to address these problems by resolving any conflicts and engaging communities into forest management. Private forest ownership does not mean transfer of forests to “influential and wealthy” groups; rather the opposite – it means allowing community ownership of forests, the area which we wanted to explore in the PIF. The legal basis for this exists, and also in the 23rd article of the forest code of the Republic of Kazakhstan it addresses the potential conflicts of interest. But with this projects we were looking to review the legal base to allow for full and real community engagement and avoidance of any conflicts, and then operationalization of community ownership of forests in reality. In the same vein we were interested to study the experience of commercial community based partnership, but this requires investment of time and resources to come up with a proper feasibility study. Which we hoped to undertake at the PPG stage.

Comment 5. *The conservation of ungulates through sustainable hunting and the inclusion of forest users are only vaguely addressed in the PIF and the direct involvement of local communities in the management and use of game species as well as the illegal trade in Saxaul is not mentioned at all. In line with the STAP review, we recommend adopting and adapting “a well-tested approach, such as the Namibian CBNRM initiative”, including pilot projects for community-based wildlife management based on experiences by GIZ and Panthera in Kyrgyzstan, Tajikistan and Pakistan.*

Response 5:

With respect to unsustainable hunting and sustainable hunting schemes as a possible solution, we have clearly mentioned it in the PIF, providing that amount of data that is possible to provide at this stage within the PIF limits/formats. We do mention that we plan to carefully study sustainable hunting scheme examples from other countries, and hope we can do so and learn from international experience before proposing a Kazakhstan tailored scheme. Such feasibility studies, as well as detailed discussions and information exchange with other partners who have experience in this area, require time and expertise, which we were planning to deploy at the PPG stage.

Comment 6: *Germany seeks clarification on how planned activities will lead to intended project impacts, especially regarding how the valuation and integration of ecosystem services will be included in decision making and how the development of land use plans translates into sustainable pasture management.*

Response 6:

The idea is to conduct a UNDP Targeted Scenario Analysis (http://www.undp.org/content/undp/en/home/librarypage/environment-energy/environmental_finance/targeted-scenario-analysis.html), which will help the Government and communities decide on the best model of forest / ecosystem use in each of the targeted ecosystems. The targeted scenario analysis incorporate ecological as well as economic values, and once it is conducted, decisions will be made by either community or Government (depending on who has the jurisdiction over the area in question) on modifying the forest use plan so that it fits the results of the targeted scenario analysis. A properly conducted Targeted Scenario analysis will bring the most sustainable decision, which in term is the way to ensure that forests in question are managed sustainably in the long run. The details of the Targeted Scenario Analysis can be found on the link above, and a detailed plan of conducting it and building its results into updated forest use plans was going to be constructed at the PPG stage.

The land use plans in those districts where grasslands/pastures dominate will be designed with direct engagement of ecologists on the one hand and communities on the other. Once the updated land use plans are in place, and specific conditions for pasture use (areas, rotation, fertilization,

cattle density, fodder, etc), community pasture management schemes will be agreed formally within the project and launched. Rich experience from previous and parallel GEF projects from other ecosystems where cattle management was involved (semi deserts or wetlands) as well as experience from other Central Asia countries will be studied in depth, and detailed actions plans for these activities are going to be developed at the PPG stage.

Comment 7: *The actual situation regarding the Green Economy process in KAZ should be reflected in the proposal and there should be cooperation with sectorial agencies responsible for infrastructure to reduce threats for species.*

Response 7:

The project is closely watching the political developments in the country and will certainly provide the latest information on each and every relevant program at the time of its submission. We would like to stress, nonetheless, that despite all the difficulties, sustainable natural ecosystem conservation remains one of the key directions in the Green Economy Concept approved by the Government of RK in May 2013. With the aim to implement a respective direction under this concept, a new edition of NBSAP has been elaborated, where the principles of biodiversity conservation and sustainable land and forest management area clearly defined. The NBSAP does mention the need to mainstream biodiversity into agriculture, forestry, hunting, fishery, tourism, and energy efficiency. And certainly the project team will not work in isolation but will insure cross-ministerial cooperation, as has always been the case under GEF projects. We clearly understand that implementation of all principles of NBSAP calls for effective inter-ministerial coordination and cooperation and allows to reduce the burden of loss of biodiversity. This statement will also reflect in the PIF.

Comment 8: *Using DNA markers for the SL monitoring program by at least 4 research institutions and 1 laboratory is unrealistic given the technical requirements and costs and comparably small population of the species in the country. Germany strongly suggests to consider collaborating with established and experienced foreign research institutions instead, which would far more realistically allow for technical quality and cost efficiency.*

Response 8.

We stem from the understanding that GEF support is normally targeted at supporting national capacity building in the first place. At the same time, we are prepared to discuss with any international experts the setup of the monitoring system to make sure that it fits within the national biodiversity monitoring system on the one hand, while is also cost-effective.

The Government of Kazakhstan has always welcomed proactive and collaborative spirit of exchanging ideas and information and sharing concerns. We regret that Germany Council Member reacted to our project in such a way that led to the removal of the project from the funding list of GEF. We would have appreciated collaborative spirit and prior consultation with us or with UNDP, that could have helped to clarify the issues about our project.

Nonetheless, we hope to hear back from Germany on our responses and are ready to discuss and work together, hoping that our project – which is of critical important for the Government of Kazakhstan – can ultimately be supported by the GEF Council.

Sincerely yours

Kairat Ustemirov
Chairman a.i.
Committee on Forestry and Wildlife Management
Ministry of Agriculture of the Republic of Kazakhstan

Annex 1

Co-funding from RK Government (official rate of National Bank of RK as of 20.04.2016 is 337,99)

№№	Budget line	Amount, thousand USD						Total:
		2017	2018	2019	2020	2021	2022	
Strategic Plan of Ministry of Agriculture of RK approved by Resolution of Government of RK (period of realization 2017-2022)								
1	Creation of Tarbagatai National Park in 2018		529,4	582,2	582,2	582,2	291,1	2567,1
2	The Republican budget allocation for nature conservation activities of Zhungar Alatau National Park	403,8	836,9	851,4	851,4	851,4	425,7	4220,6
3	The Republican budget allocation for nature conservation activities of “Kolsai kolderi” National Park	273,5	550,5	553,8	553,8	553,8	276,9	2762,3
4	The Republican budget allocation for nature conservation activities of Almaty Reserve	119,3	240,08	241,6	241,6	241,6	120,8	1204,98
5	The Republican budget allocation for nature conservation activities of Charyn National park	149,8	301,3	303,1	303,1	303,1	151,5	1511,9
6	Aviation forest protection	7461,5	14923,1	14923,1	14923,1	14923,1	7461,5	74615,4
TOTAL:		8407,9	17381,28	17455,2	17455,2	17455,2	8727,5	86882,28
Local budget of the Akimat of Almaty region								
7	The Local budget allocation for nature conservation activities of Taldykorgan forest protection institution	119,8	244,1	245,5	248,5	250	125,7	1233,6
8	The Local budget allocation for nature conservation activities of Kaskelen forest	69,2	141,1	144,3	144,9	146,4	73,9	719,8

	protection institution							
9	The Local budget allocation for nature conservation activities of Bakanas forest protection institution	111,5	226,0	229,3	230,8	232,2	116,8	1146,6
10	Water supply of pastures in Kerbulak, Uygur and Balkhash regions of Almaty oblast in order to restore productivity	284,0	568	568	568	-	-	1988
TOTAL:		584,5	1179,2	1187,1	1192,2	628,6	316,4	5088
GRAND TOTAL:		8992,4	18560,48	18642,3	18647,4	18083,8	9043,9	91970,28