



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FULL-SIZED PROJECT
 TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title:	Enabling Transboundary Cooperation and Integrated Natural Resources Management in the Ural River Basin		
Country(ies):	Kazakhstan, Russian Federation	GEF Project ID: ¹	5739
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4484
Other Executing Partner(s):	UNOPS; Ministry of environment and water resources of the Republic of Kazakhstan; Ministry of Natural resources and environment of Russia	Submission Date: Re-submission Date:	7 March 2014 21 March 2014
GEF Focal Area (s):	Multi-focal area	Project Duration (Months)	48
Name of parent program (if applicable): <ul style="list-style-type: none"> • For SFM/REDD+ <input type="checkbox"/> • For SGP <input type="checkbox"/> • For PPP <input type="checkbox"/> 	N/A	Project Agency Fee (\$):	403,138

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
IW-3	GEF TF	2,669,726	8,700,000
LD-3	GEF TF	1,573,836	5,350,000
Total Project Cost		4,243,562	14,050,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: To build capacity of the countries to reduce stress on the transboundary watershed ecosystem of the Ural River Basin (URB) and promote joint management of shared water and land resources ensuring ecosystem resilience in the context of climate change.						
Project Component	Grant Type ³	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Cofinancing (\$)
Component 1 Consolidating a Common Knowledge Base	TA	Consensus among countries on key transboundary concerns and root causes, including climate change and variability, reached through joint fact finding	<p>1.1 Regional transboundary science committee established</p> <p>1.2 Inventory of transboundary water, land and ecological issues and problems are identified and prioritized in Transboundary Diagnostic Analysis (TDA)</p> <p>1.3 Agreement and a shared vision on main drivers of change/root causes, and on indicators</p>	GEFTF	441,488	1,600,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the reference attached on the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

³ TA includes capacity building, and research and development.

			<p>of current conditions, documented and agreed upon</p> <p>1.4 Monitoring and Information Management System (IMS), including data/knowledge management and exchange system, designed for the URB</p> <p>1.5 All major stakeholders, including the CSO and private sector fully integrated in the TDA/SAP participatory process securing a shared vision for the TDA/SAP.</p>			
Component 2 Strengthening Foundational Capacity for Bilateral Cooperation	TA	<p>Strengthened national and regional policy, legal and institutional framework to address priority transboundary water, land and biodiversity issues</p> <p>Strengthened countries capacities of in integrated land and water management and transboundary cooperation.</p>	<p>2.1 A bi-national Strategic Action Program (SAP) of agreed legal, policy and institutional reforms.</p> <p>2.2 Strong National scientific and technical institutions for sustainable use of transboundary water and land resource</p> <p>2.3 Key national agencies responsible for use and protection of transboundary water, groundwater, biodiversity and land resources will be strengthened and enhanced with best IL&WRM and transboundary cooperation practices</p> <p>2.4 Russia-Kazakhstan intergovernmental Commission for Joint Use and Protection of Transboundary water Basins strengthened and enhanced with best IWRM and transboundary cooperation practices.</p> <p>2.5 SAP endorsement at the ministerial level in both countries.</p> <p>2.6 land-use practices optimized so that</p>	GEFTF	500,000	2,400,000

			economic activities do not threaten ecosystem integrity and further depletion/land degradation is prevented			
Component 3 Demonstration of Technologies and Practices for INRM	TA	<p>Good land, water and biodiversity management practices demonstrated in selected areas of the Ural River basin.</p> <p>Integrated management of land, water, biodiversity and production systems demonstrated</p> <p>Reduced stress on water and land resources with introduction of climate resilient ecosystem-based management to sustain environmental quality throughout the URB</p> <p>Increased capacity to apply adaptive management tools in SLM</p>	<p>3.1 Innovative IWRM and INRM pilot projects implemented and demonstrate: pollution reduction, sustainable land and water management (SLM) at local levels.</p> <p>3.2 Information, results and best practices on INRM/SLM harvested and disseminated</p> <p>3.3 Government agencies collaborating on INRM/SLM initiatives across sectors and at multiple scales</p>	GEFTF	2,800,000	8,200,000
Component 4 Stakeholder Involvement, Gender Mainstreaming and Communication Strategies	TA	<p>Enhanced stakeholder involvement and gender mainstreaming in processes to enhance integrated bilateral management of the URB</p> <p>Functioning public-private partnership at regional and local levels</p> <p>Broad stakeholder awareness of the project, its activities, results and impacts</p>	<p>4.1 A Stakeholder Involvement and Gender Mainstreaming Strategy defined and implemented</p> <p>4.2 Project results, knowledge and best practices captured and transferred via project website as well as knowledge management portal in accordance with IW:LEARN guidance</p> <p>4.3 Public-private partnership established</p> <p>4.4 Participation to the GEF IW biennial conferences, regional</p>	GEFTF	300,000	1,250,000

GEF TF	UNDP	International waters	Kazakhstan, Russia	70,000	6,650	76,650
GEF TF	UNDP	Land degradation	Kazakhstan	40,000	3,800	43,800
GEF TF	UNDP	Land degradation	Russia	30,000	2,850	32,850
Total PPG Amount				140,000	13,300	153,300

MFA: Multi-focal area projects; MTF: Multi-Trust Fund projects.

PART II: PROJECT JUSTIFICATION⁷

PROJECT OVERVIEW

A.1. Project Description

1) The Global Environmental Problems, Root Causes and Barriers That Need to be Addressed

Background

1. The Ural river is a major waterway flowing through the south-European area of the Russian Federation and western Kazakhstan, originating in the Ural Mountains to the north, meandering through a broad flat plain containing several lakes and ducts, and forming vast delta wetlands near the Caspian Sea to the south. Spanning five ecological zones and home to nearly 4 million people in its surrounding watershed, the Ural's total length of 1,511 mi (2,428 km) makes it the third longest river in Europe after the Volga and the Danube. The Ural is mostly fed by melting snow, since precipitation is relatively minor in the region. Most of its annual discharge occurs during the spring floods (65%), which occur during March-April near the delta and in late April-June upstream. Smaller discharges (30%) drain during summer-autumn, and 5% in winter. The river freezes at the source in early November, and in the middle and lower reaches in late November. The wetlands at and near the delta of the Ural are especially important to migrating birds, including several endangered species, as an important stop-over along the Asian flyway. The Ural River basin is perhaps best known for its many fish species, especially from the sturgeon family, which visit the Ural's delta from the Caspian Sea and migrate upstream for spawning. Together with the Volga, the Ural forms one of the largest internal-drainage basins of the Caspian Sea. Because the basin has no outflow to an ocean, a significant portion of pollutants accumulating in the lower reaches of the transboundary Ural are eventually transferred to the Caspian Sea.
2. The Global Environment Problems and Root Causes
The territory of the Ural River Basin is one of the most important industrial and agricultural regions of the Russian Federation and Kazakhstan. Water from the upper reaches of the Ural is primarily used to supply prominent metallurgical plants in Russia, and primarily for agricultural uses in the lower reaches in Kazakhstan. The current environmental stresses on the Ural River Basin are expected to increase, as hydropower, nonferrous metallurgy, mining, oil and gas processing, grain and cattle farming have all been identified as key sectors for future regional development.
3. In light of current and expected future water use in the Ural River basin, a previously conducted GIWA (GEF Global International Waters Assessment) has identified a host of complex, key issues requiring priority attention. These include: groundwater regime change; desertification; anthropogenic/chemical pollution; forest degradation and deforestation caused by illegal logging and bushfires; decline in agricultural crops productivity as a result of degradation of arable lands; reduction in wildlife population and destruction of habitual zones caused by over-grazing and over-harvesting; reduced sequestration of carbon (in forests and grasslands); increased level of dependency on natural resources such as timber and non-forest products, especially for marginalized community living in rural areas; changes in hydrology leading to an increased number and severity of floods, mudslides and similar disasters; decrease or even loss of individual and national income generating capacity within rangelands; widespread, accelerating erosion issues, such as dune formation in

⁷ Part II should not be longer than 5 pages.

deserts and semi-deserts, sand and dust storms, moving sands, soil loss, and gullying in mountains and foothills; local livestock concentration and catastrophic decline of wild ungulates' populations as well as lack of winter fodder; deteriorating irrigation/watering and drainage infrastructure and management/maintenance weaknesses; degraded steppe/desert steppe and pasturelands caused by local overgrazing and underutilization of large pasture areas due to giving up of mobile grazing practices; and inappropriate agricultural system of subsidy provisioning and absence of integrated financial mechanisms on SLM.

4. **Pollution:** The anthropogenic pollution of the Ural and its tributaries is the most important problem of the Ural-Caspian basin. Major pollution sources of the Ural can be traced to the large industrial enterprises in Magnitogorsk and the Orenburg oblasts in the Russian Federation. In particular, the water from the Ural downstream of Orenburg contains about 230 organic chemical substances, including especially hazardous pollutants (phenols, petroleum byproducts, boron), the levels of which exceed two to thirteen times maximum allowable concentrations. The major waterborne flows of these industrial pollutants become transboundary as they flow downstream from the Russian Federation to Kazakhstan. In Kazakhstan, the cities of Uralsk and Atyrau contribute their own source of pollution by discharging municipal wastewaters with nutrients and organic substances into the Ural. Other pollution sources in Kazakhstan include surface water runoff, particularly during flood periods, which carry away pollutants from sewage infiltration fields, as well as seepage from sewage ponds. Surface runoff from oil extraction sites on the Caspian coast (Tengiz, Prorva, Martyshe, Kalamkas, Karazhmbas) introduce oil products into the Ural. Despite the negative impact of floods, the diluting effects of huge spring floods temporarily decrease water pollution in the river itself and allow for some self-purification of the river system. These effects are particularly visible in the lower parts of the Ural River basin and in the delta. Nevertheless, data show a general increase in the content of nitrogen compounds (by three times) and phenol (by seven times), all of which continue to present day stresses on the Ural river basin.
5. **Land Degradation:** The Ural watershed is one huge plain, sloping from north east to south west of the river basin. The region faces problems of soil degradation, such as erosion, swamping, deforestation and salinization, that are aggravated by poor land-use management practices. It is estimated that 82.3% of all types of land and 78.9% of agricultural land is subject to wind and water erosion. This erosion leads to decreases in vegetative cover of the near river regions, including agricultural land fertility, which seriously threaten the sustainability of the Ural watershed. In the Russian Federation portion of the Ural Basin (Bashkortostan Republic, Chelyabinsk and Orenburg oblasts), widespread land degradation problems include: decreased soil fertility and erosion processes; acidification; salinization; stony waste; overwetting; chemical contamination; and littering with industrial and domestic waste. Additional degradation factors include: soil deflation/blowout; degummification; solonetization; flooding; carbonate enrichment; over-consolidation; destroying of soil aggregates; degradation of steppe biocenosis; toxic contamination; and desertification. Soil erosion is the most widespread problem. Main causes for the erosion include failure of land use structure and land use technologies, excessive plowing and low afforestation of the lands. Areas of the large industrial centres (Chelyabinsk oblast) are facing soil contamination with heavy metals. A long-term, unsustainable use of soils has resulted in a negative balance of all soil characteristics, loss of soil productivity, outwash of key mineral nutrition elements, deteriorated agro-physical characteristics of soils and degraded pastures due to unregulated livestock grazing. The south Ural region is considered to be particularly prone to desertification, with an average of 75% of arable area ranked as being of high or very high desertification risk, while 39% of near Ural river has a medium to high desertification risk index (2009 NAP). Fires in the region have also led to significant land degradation. A UNDP research project found that in the period of 2000–2009, 700 fires occurred in the Kazakh portion of the Ural River Ecoregion: 36% of natural fires took place in forests, while the balance damaged open areas, mostly steppes and grasslands (60-90% of fires, depending on the locality, have anthropogenic origin). In recent years, fires have increased from 750 in 2000 to 2,500 in 2011, with a correspondent increase of damaged biomass-rich territory from 2,500 km² in 2000 to 11,150 km² in 2011. The report confirmed that the amount of biomass destroyed by fires far exceeds the amount of biomass that has been destroyed in the past under natural fire occurrence, and justified a need to contain the anthropogenic factor, which is the key driver of increased fire frequency.

6. **Water Management:** At both the transboundary and national level, weak water management remains the overarching water issue in the Ural River basin. The complexity of managing water resources is not only due to differences in water management practices between the Russian Federation and Kazakhstan, but also among and between constituent regions of the Russian Federation in the Ural basin: Republic of Bashkortostan, Chelyabinsk and Orenburg Regions. This has resulted in fragmented management schemes, consultation mechanisms and cooperation efforts. One of the priority issues of the regional ecological policies of three Russian regions in the Basin is the implementation of measures aimed at conserving transboundary Ural River ecosystems. A conference “Transboundary Ural River Basin: Sustainable Development and Ecosystem Conservation” (17 July 2012, Orenburg), that gathered representatives from the government, scientific community, and civil society from Russia (Bashkortostan Republic, Orenburg and Chelyabinsk Oblasts) and Kazakhstan reconfirmed the importance of an integrated approach to Ural river problems, and concluded with the following recommendations: (i) form an intergovernmental commission for sustainable use and protection of transboundary resources, development and adoption of key principles for water distribution, taking into account water needs of the two states, planning and financial joint water management and protection measures; (ii) develop a coordinated protected areas system in both Russia and Kazakhstan’s territories along the Ural river and its tributaries; (iii) set up an intergovernmental environmental monitoring system in the URB with an information and analytical centre in Orenburg; and (iv) develop and adopt an integrated plan for joint action aimed at preservation and restoration of the transboundary URB ecosystems.
7. **Climate Change:** Climate change issues and their inherent spectrum of complexity are posing considerable risks to important economic drivers, human welfare and the environment in Kazakhstan. These ongoing impacts are predicted to negatively impact *inter alia* water resources, grain production, steppe and dryland pastures, livestock production and forestry. As a result, climate variability is likely to trigger a host of food security, water security, energy security, human health and poverty problems in the country. Many of these systems are already stressed due to poor land management practices and the existing environmental legacy of central planning, a remnant of the Soviet era.

Barriers To Be Addressed

8. In a transboundary setting of a shared basin such as the Ural, barriers towards effective national and transboundary coordination are multiple – policy, institutional, informational, technological and financial. Failure to harmonize efforts at the local, national and transboundary levels will result in increased insecurity across the basin. These barriers include:
 - Difficulty enforcing existing and planned regulatory frameworks and legal mechanisms to protect water resources and the ecosystems upon which they depend.
 - Insufficient time for and investment in capacity building to meet the specific needs and conditions across the basin and within the countries.
 - Lack of ability to prioritize water resource management across the basin, though the allocation of government resources among some states is increasing.
 - Low levels of harmonization of plans and approaches, both within and between countries.
 - Lack of updated information on surface and groundwater resource availability, including flow and recharge rates, and the impacts of climate change, and its use in the multi-sector development path.
 - Lack of coordinated information to support an understanding and application of integrated, ecosystem-based natural resources management approaches that include attention to multi-sectoral demands towards improving overall economic conditions.

- Lack of application of technologies that can serve multiple benefits in water and land resource management and reduce costs of irrational water losses, pollution and environmental degradation.
9. In order to reduce pressures on natural resources from unsustainable land uses and to secure conservation and enhancement of soil vegetative cover, a shift from current unsustainable territorial planning policies and land use practices to sustainable land and forest management that can be enforced over time, is necessary. This approach, however, is impeded by a number of barriers, categorized here as inadequate enabling framework for SLM uptake, and missing know-how on key aspects of sustainable land and forest ecosystem management:
 10. **Inadequate enabling framework for SLM uptake:** 1) Under current territorial planning practices, ecosystem values and carrying capacity are not taken into account when allocating land for economic users.. Decisions on land allocation and land use regimes are often based on immediate health risks, while the long-term consequences of land erosion, loss in soil productivity, and loss of forest ecosystem services are left outside the territorial planning process. Furthermore, often no assessment of the current state of soil, vegetation, wildlife, nor ecozone mapping, is performed,. Areas are not classified according to degree of degradation, nor are there any regimes in place for land uses of ecosystems subject to various forms of degradation. Without these steps, HCVF (High Conservation Value Forests) cannot be effectively protected in commercial forests (e.g. by an applicant for Forest Stewardship Council certificate).As a result, territorial planning continues to be driven in most cases by short-term economic goals and gives little consideration for the ecological integrity of natural resources; 2) Important gaps in policy and regulatory frameworks hinder transformative change, from short-term economy-focused planning to long-term integrated territorial planning. As developed countries have demonstrated in the areas of environmental enforcement (e.g. wetland banking in the US, the agro-environmental schemes in the EU), unless the requirement to account for natural resource values and functions in territorial planning is fixed in policies and regulations, and land users are made to comply, there will unlikely be a transformation change from baseline to integrated land use. A set of new,or amended regulations is required at the inter-state and municipal levels in order to incorporate the definition of the high value of ecosystem services of Ural River ecosystems, prescribe the need to develop procedures and standards for identification and designation of Integrated Water Resource Management as well as High Conservation Value Forests, and prescribe the priority for ecosystem integrity when developing economic activities during territorial planning; 3) The third problem is weak local land use and environmental inspector enforcement capacities. Land conversion often takes place illegally (with no application being submitted to authorities, or with proponents not abiding by all the necessary permitting conditions). Without proper monitoring and enforcement, offenders are not penalized, regulatory processes are undermined, and land, forest and pasture continue to be degraded.Very few municipalities in the near river of Ural River have dedicated environmental officials. If they do, this dedicated function is often diluted and combined with other positions, or not addressed at all. Monitoring and enforcement of integrated territorial plans will require closer dialogue between staff from various government institutions involved in land use planning, permitting and environmental inspections.
 11. **Missing know-how on key aspects of sustainable land and forest ecosystem management:** The lack of sustainable land use practices in the region is driven by limited ‘knowhow’ and technical capability. Knowledge and training are critical for long-term maintenance of Ural River watersheds, lands and avoidance of over-grazing or under-grazing. An important barrier, related to transhumance, is a lack of knowledge on how to organize cattle management in a way that would ensure maximum productivity of grassland, and avoid grassland degradation. Good management depends on careful planning of parameters, such as placement of catchment headwaters; rotation; stocking density; and correct choice and placement of infrastructure for cattle maintenance. Herders have not been trained to define the carrying capacity of pastures, nor to integrate this knowledge further into their decision making in livestock management. There is a need to demonstrate how this can be done in practice, covering a range of farm characteristics (i.e., large and small, uphill and downhill, small cattle/large cattle/mixed). Such demonstration has not been yet available in the Ural River basin region. It is critical to address the problem of loss of transhumance in a systemic way. While the above barriers describe legislative, methodological and know-how gaps, one of the key factors defining the loss and the possibility of a

reversal of a transhumance system is the micro-economic factor: the financial motive through which farmers decide to adopt one way of livestock management or another.

2) The Baseline Scenario and Any Associated Baseline Projects

The project is complementary to a number of programmes and initiatives carried out by Government, UNDP and NGOs.

12. Previous UNDP baseline activities in the region (non-GEF):

In 2007, the UNDP's Regional Bureau for Europe and CIS entered into a regional partnership with Coca Cola called "*Every Drop Matters*" (EDM). Initially designed for five years, the main objectives of this partnership were to promote activities that increase access to safe drinking water and promote responsible water resource management including through outreach and awareness-raising activities. The regional partnership currently conducts activities in both the Russian Federation and Kazakhstan.

Kazakhstan

13. The main goal of the EDM Programme is focusing on local community and decision making level to demonstrate of sustainable water supply and efficient water use practices through implementation of "Water Stewardship Programme" (Grants Programme). The programme have been working on local communities' (LC) sustainable water supply and ensuring access to safe drinking water through capacity development approaches implementation, outreach and awareness raising as well as knowledge management initiatives on the importance of water sanitation and health practices in communities. The Programme is enable the implementation of efficient efforts, activities and mechanisms that would increase access of the most vulnerable communities to safe drinking water and water-supply; build the capacities of public organizations and local communities pertaining to the efficient measures of using water resources and more intensively highlight water problems in public. Within this programme 5 projects were completed and 3 on-going:

1. *Improving the water supply in Kok Ozek village*
2. *Almaty city: Wastes recycle system project*
3. *Saving drinking water together*
4. *Protecting water and land resources from contamination by water management and composting*
5. *Every drop for human health*
6. *Caspian Green Pack as an instrument of public awareness and environmental education on water and water-related issues in the Caspian Sea region of Kazakhstan (Atyrau, Mangistau and Uralsk oblasts)*
7. *Aral. Every drop matters for us.*
8. *Improvement of Water Recourses Management in Zhambul Oblast of Kazakhstan through introduction of effective water use system*

The Programme facilitate the promotion and demonstration of best practices in the area of efficient water resources use and management at the community level and capacity building of public organizations in the field of water supply and water use.

14. UNDP's involvement in water resources management in the region dates back to 2004, with the participation of the Kazakhstan State Committee for Water Resources, the Government of Norway, the Global Water Partnership and the UNDP Water Governance Facility. The project was aimed at strengthening the water management organizations of Kazakhstan through instituting the practice of Integrated Water Management (IWRM). This was accomplished by assisting the Committee for Water Resources to prepare the first National IWRM and Efficiency Plan together with eight river basin IWRM Plans, as well as establishing Basin Councils representing various water user stakeholders. Such tools and experience developed for the Kazakhstan portion of the Ural River would be used in this regional project and shared with Russian experts and stakeholders. Furthermore, it would further provide support to a process of development of IWRM and Efficiency Plan at the trans-boundary level, to ensure a sustainable IWRM and water use efficiency in the long run. The project also worked toward achieving the Millennium Development Goals for water through developing the Strategy for Achieving the MDGs for Water Supply and Sanitation. The experience and best practices introduced in

integrated water resource management in the Ile Balkhash water basin would serve as baseline for transboundary and national basin monitoring schemes and programs, it will also further enhance capacities of transboundary institutions and the bilateral commission for monitoring, improve collaboration between national agencies and cooperation on the transboundary level; consolidate of the database creation using GIS/remote sensing support; and improve information-sharing platforms and mechanisms among key stakeholders, including institutional support for data exchange.

15. UNDP followed up the above initiative with a successor project; “Promoting IWRM and Fostering Transboundary Dialogue in Central Asia” (2009-2012). This regional project, while not in the Ural basin, builds on successful experiences in introducing IWRM in Kazakhstan, which did include the Ural, and now aims to promote transboundary dialogue and sustainable water resources management in Central Asia through national interventions involving Kyrgyzstan and Tajikistan, and between Kazakhstan and China at a transboundary level. The project objective is to strengthen regional capacity to address water governance challenges within national and transboundary sustainable development frameworks. Specifically, the project focuses on building effective programme management and coordination involving: (i) capacity building – a joint IWRM training plan with GWP, SDC and possibly other partners (ii) knowledge and experience exchange as well as (iii) trans-regional trust-building and coordination interventions.
16. UNDP and GIZ have had a long and productive partnership in the context of the CACILM programme. Co-operation has ranged from co-management of projects (such as the CACILM Multi Country Capacity Building project) to technical exchange and collaboration (UNDP SLM projects in Kazakhstan, Kyrgyzstan and Kazakhstan with relevant GIZ projects/initiatives such as their pasture management pilot projects in Kyrgyzstan and Kazakhstan, Pamir Natural Resources project in Tajikistan, etc). In the context of this specific project, GIZ’s experience and future activity on pasture management, within one of the selected pilot districts will be a key contribution to the achievement of the component 1 outcomes. The completed rangeland project has contributed considerable knowledge on pasture management approaches to territorial planning and stakeholder engagement. This project will build on the accumulated pool of best practices and learned lessons in implementing project outputs. The project will utilize the experiences and practices of the UNDP/GEF and GIZ project on sustainable rangeland management for rural livelihood and environmental integrity including identification and selection of pilot sites, functional zoning of pastures, reconstruction of water points at distant pastures, and participatory approaches to herder engagement. The project will cooperate with the new UNDP/GEF project on improving sustainability of PAS in desert ecosystems. In particular, the project will utilize emerging experience on operationalization of a microcredit facility that will generate biodiversity and land conservation benefits.
17. Most recently, the UNDP Central Asia Multi-Country Programme on Climate Risk Management announced a new project called “Climate Risk Management in Kazakhstan” (2011-2014). The project aims to increase the resilience of rural communities in Almaty oblast, through improved water efficiency in agriculture and climate-related disaster management. In doing so, the project will address the complexities and multi-sectoral impacts of climate change with a seven-point approach involving: i) up-to-date scientific studies and regional analyses of climate change; ii) developing an overarching CRM strategy; iii) upscaling successful adaptation measures; iv) involvement of technically skilled/capacitated individuals; v) interventions initiated in order to attract funding, catalyse learning and provide information for large-scale interventions; vi) knowledge shared nationally and regionally; and vii) CRM addressing gender equality and incorporating indigenous knowledge.
18. EU Delegation, GIZ, CAREC, recently initiated Regional Program for Sustainable Use of Natural Resources in Central Asia: Forest and Biodiversity Governance including environmental monitoring (FLERMONECA). The specific objective is to enhance regional cooperation and partnership with Europe in the fields of forest and biodiversity goernance, including environmental monitoring, through supporting the sustainable use and management of natural resources in Central Asia, by tackling issues such as climate change, forest governance (the FLEG process), ecological restoration and environmental data collection, exchange, monitoring and assessment. The project targets regional cooperation within Central Asia and between Central Asia and the EU.

19. Specific objectives of thematic sub-components:

- Forest Law Enforcement and Governance in Central Asia (FLEG Central Asia). The promotion of legal and sustainable forest management .. and utilisation practices strengthens the rule of law, tackles the growing problem of illegal forest activities and enhances local livelihoods.
- Ecological Restoration and Biodiversity Conservation in Central Asia (ERCA). Promoting an active dialogue between the EU and Central Asia; demonstration and dissemination of ecosystem-based management approaches on regional, sub-regional and sub-national levels support conservation and restoration of biological diversity in the region.
- Environmental monitoring in Central Asia (MONECA). Environmental monitoring, reporting and data sharing is improved in the Central Asian countries and in the region as a whole, and links and partnerships are strengthened between the respective Central Asian and EU institutions.

20. World Bank/GEF implemented Drylands Management Project in Kazakhstan. The development objective of the Drylands Management Project for Kazakhstan is to demonstrate and promote sustainable land uses in the marginal dryland ecosystem of a pilot area in the Shetsky rayon (a district in the southern part of the Karaganda oblast - province). The project is a pilot activity that will test the environmental, social and economic viability of shifting from the current unsustainable cereal-based production system to the traditional livestock-based production system. In support of this objective, there are four main project components. The project--with active participation of local communities--will assist the Government of Kazakhstan to: (i) develop sustainable land use systems; (ii) provide initial service support to producer groups; (iii) improve national capacity to quantify carbon sequestration; and (iv) undertake a broad public awareness campaign and develop a strategy so that project interventions could be replicated in similar areas of Kazakhstan and other Central Asian countries. By promoting sustainable land use practices, the project emphasizes an integrated ecosystem management approach to achieving ecological, economic and social goals that are expected to yield benefits at a local, regional and global level.

21. GIZ Transboundary Water Management in Central Asia Programme in partnership with the Regional Environmental Centre for Central Asia (CAREC), Aral-Syrdarya Basin Inspection, Syrdarya Basin Council, Committee for Water Resources implemented programme on "Water Management and Basin Organisations in Central Asia (WMBOCA)" and programme focused in Kazakhstan Improving IWRM planning at the Aral-Syrdarya Basin Organisation. The programme is supported the five Central Asian states to set up effective institutions for the joint management of water resources. In order for these institutions to effectively fulfil their mandates, assistance is being provided to develop long-term basin plans, which then serve as the basis for introducing IWRM principles. In Kazakhstan the programme is helping the Aral-Syrdarya Basin Inspection and the Syrdarya Basin Council to develop and implement a comprehensive basin plan to promote IWRM at river basin level. To that end, it is developing the capacities of both individuals and institutions. The project consists of various interrelated capacity building activities. Firstly, the Basin Inspection and Basin Council will identify their capacity building needs for preparing and implementing a basin plan and will prioritise the steps needed to deliver IWRM. The project will then provide the training, tools and instruments required for developing these basin plans.

22. ENVSEC was established in 2003 by OCSE, UNDP, and UNEP. In 2004, NATO became an associated member of the Initiative. From 2006 onwards the Initiative is strengthened by two new members – the United Nations Economic Commission for Europe (UNECE) and Regional Environmental Centre for Central and Eastern Europe (REC). UNDP has developed numerous activities under ENVSEC in the fields of natural disaster preparedness and risk reduction for communities in high-risk districts in Kyrgyzstan, Tajikistan and Uzbekistan; transboundary cooperation of communities in the Ferghana Valley in an effort of sustainable development; strengthening coordination of project formulation and mobilization of resources for sustainable radioactive waste management in Central Asia; investigations on glacial melting in Central Asia.

Russian Federation

23. In Russia, “The Ural Basin project” (2007), based in Orenburg oblast, looked for ways to preserve the natural habitats of sturgeon species in the Ural river, and securing their migration routes. The ultimate project goal was to establish and manage an International Ural Sturgeon Park with the active involvement of local communities in the nature conservation measures. The Project was initiated and coordinated by the Environmental Systems Laboratory of the Central European University (Hungary) and the Research and Consulting Center “DonEco” (Russia), together with the support of NATO and the Caspian Environment Programme. The project sponsored the First International Ural Basin Workshop “Transboundary integrated management of the Ural River Basin to secure conservation of sturgeon species” (Orenburg, 2007) organized by the Project coordinators in cooperation with the Ministry of Natural Resources and Environment of the Russian Federation, the Federal Agency for Fishery, Orenburg State Agriculture University and other organizations. This workshop was seen as the first event in a series of meetings among actors and stakeholders in international Ural river basin management and transboundary biodiversity conservation.

24. Russia has three federal target programs that represent the baseline for the Ural River Basin, namely the target programme "Clean Water", the target programme "Conservation, Rehabilitation and Improvement of Soil Fertility of Agricultural Lands and Agrolandscapes as the Russian National Heritage" and the programme “Development of water resources management in the Russian Federation for 2012-2020”. At the provincial level there are several sectoral programmes that complement the mentioned federal programmes in various degrees. These are discussed in more detail below. The "Clean Water" programme (2011-2017) aims to improve the efficiency and reliability of water supply systems, introduce new treatment technologies for water purification stations and prevent contamination of drinking water sources, thereby ensuring compliance with state sanitary requirements. Two regional programs Chelyabinsk Oblast, of the same name (2010-2020), and one in Orenburg Oblast, "Provision of Clean Drinking Water to the Population" (2011-2016), support this federal program. The federal program "Conservation, rehabilitation and improvement of soil fertility of agricultural lands and agrolandscapes as the Russian national heritage" (2006-2013) was developed for the conservation and sustainable use of agricultural lands and agrolandscapes, intending to create conditions for the increased production of high quality agricultural products. This initiative was further supported by the development of several regional programs for the country's main agricultural regions. These include the regional programme, "Development of Agriculture" currently being implemented in Chelyabinsk Oblast (2009-2012), and the regional target programme, "Conservation, Rehabilitation and Improvement of Soil Fertility of Agricultural Lands and Agrolandscapes", recently launched in the Orenburg Oblast (2011 - 2012). Key objectives of the Federal target programme “Development of water resources management in the Russian Federation for 2012-2020” include liquidation of local water deficits in the Russian regions exposed to water deficit; improved efficiency of water use; reduction of negative impacts on the water bodies; restoration and ecological rehabilitation of water bodies; improving technical safety of hydrotechnical infrastructure; development and enhancement of state water monitoring system. In line with this programme some of the Russian regions adopted their own regional water programmes. For example, Bashkortostan Republic adopted regional target programme, “Development of water resources management in the Bashkortostan republic” (2013-2020), addressing adequate water supply to secure socio-economic development of the republic; preservation and restoration of water bodies to the level ensuring healthy living environment for the population; flood and other water-related accidents protection. With the same objectives Orenburg Oblast implements its target programme “Development of water resources management in the Orenburg Oblast” (2013-2020) and Chelyabinsk oblast - regional target programme “Development of water resources management in the Chelyabinsk oblast” (2013-2015). These agriculture sector programs have the potential of a twofold impact on the Ural River Basin—one beneficial, one detrimental. On the one hand, the programs have the positive effect of supporting the introduction of sustainable mechanisms for the use of agricultural land, while on the other hand, the proposed measures include the provision of subsidies to compensate farmers for the acquisition costs of chemical fertilizers, which has long been recognized as a major source of pollution in the Ural River Basin. Balancing such examples of regional development policy and water protection requirements will be a major issue the proposed project will need to address.

25. In the field of sustainable land management, municipal districts of the Bashkortostan Republic have adopted programming for sustainable land management and protection that addresses land degradation and soil

contamination issues. Orenburg Oblast has completed land monitoring and assessment based on the provincial target programme, Methodology for improving ecological monitoring of lands in the Orenburg Oblast” (2000). “In 2009-2013 with the aim of protecting ecological and resource potential of forests Chelyabinsk oblast adopted a provincial target programme “Forests”. Of direct relevance to the problems of the Ural River Basin is the regional target programme "Improving the state of environment in Orenburg oblast" (2011-2015). Among the main goals of the programme is a reduction of wastewater discharges through the construction and reconstruction of municipal wastewater treatment facilities, introduction of new technologies and construction of facilities for industrial wastewater treatment. Despite the many joint and national efforts, the solution of existing and emerging environmental problems in the Ural river basin continues to be hampered by several factors, including the mismatch of the respective State Water Codes, which complicates the implementation of coordinated interstate management measures to protect the river basin. Despite the adoption of new legislation and commendable evidence of many new basin agreements that have evolved in the Ural basin in recent years there are still many unresolved issues in practice, among them the organization and implementation of a comprehensive monitoring on the whole catchment area; the development of international programs on sustainable development of transboundary territories; and legislation improvement of interested bodies, cross-border cooperation on the basis of eco-economic approaches to interstate water management. All these issues are acute and timely for the Ural river basin, and require more interventions and the concurrent political will to raise the level of transboundary cooperation to a more coherent and integrated level.

Previous/current UNDP-GEF baseline activities in the region

26. By far the largest and most well known GEF involvement in the region deals with the Caspian Sea of which the Ural river basin forms part of the wider catchment area. GEF involvement began with its support for the development and implementation of the Caspian Environment Programme, which aims at sustainable development of the Caspian environment including living resources and water quality, protecting human health and ecological integrity for the sake of future generations. This was a seminal GEF involvement in the region which, through successive projects, continues to benefit the littoral states as it promotes the expansion of the IWRM, sustainable land management and climate change to upstream rivers including the Ural river basin. The other project (2006-2007) was the “*Development of programmatic approach to sustainable pasture management in various nature-climate zones of Kazakhstan (Development of the "umbellate" project for the sustainable pasture management through revival of traditional methods of the pasture use and active participation of the local communities)*”(2005-06). The project targeted land degradation issues and sought to identify and adapt traditional knowledge of sustainable pasture management in various nature-climatic zones of Kazakhstan and develop a systematic approach for their long-term operation. A UNDP/GEF Project entitled “Sustainable Rangeland Management for Rural Livelihood and Environmental Integrity Project” also builds upon key elements in the draft Kazakhstan model of sustainable pasture resource management elaborated under this project. The project was designed to complement and benefit from the adaptation and capacity building work of the UNDP-GEF SCCF project in Kazakhstan.

3) The Proposed Alternative Scenario, With a Brief Description of Expected Outcomes and Components of the Project

27. The proposed GEF project will respond to the request of Kazakhstan and the Russian Federation, working with these governments and new and previous organizations involved in earlier baseline activities, to implement the following incremental activities (these activities plan to reducing stress on the transboundary watershed ecosystem of the Ural River Basin (URB) and promote joint management of shared water and land resources ensuring ecosystem resilience in the context of climate change).

Component 1: Consolidating a Common Knowledge Base: The proposed project will conduct joint fact finding to facilitate achievement of consensus among countries on key transboundary concerns and root causes, including climate change and variability (i) Regional transboundary science committee established; (ii) Inventory of transboundary water, land and ecological issues and problems identified and prioritized in Transboundary Diagnostic Analysis (TDA); (iii) Agreement on main drivers of change/root causes, and on

indicators of current conditions, documented and agreed upon; (iv) Monitoring and Information Management System (IMS), including data/knowledge management and exchange system, designed for the URB; and (v) All major stakeholders, including the civil society and private sector fully integrated in the TDA/SAP participatory process securing a shared vision for the TDA/SAP. The project will establish a regional inter-ministry committee, consisting of representatives from the Russian and Kazakh regions bordering with the Ural. The groups main task will be to develop recommendations and proposals on different aspects of water use efficiencies and enhance the implementation to be reflected in the SAP. Other outputs of the proposed component include: A full-fledged TDA of the extended Ural River Basin, prepared by national scientists and practitioners with international expert support. The TDA will also focus on transboundary issues including climate change and will be developed by identifying the main “drivers of change” by national and international experts (and will include extensive stakeholder consultations). On the issues defined and prioritized, a Strategic Action Programme will be developed under Component 2, to ensure the long-term priority activities will be mainstreamed and demonstrated at the regional and national levels. The project will also facilitate study and agreement on the “main drivers of change” (root causes) and on the “indicators of current conditions (status indicators)”. The project proposes to take an inventory of transboundary ecological problems and key issues (identified and prioritized) to address the underlying causes of problems at both the national and transboundary levels. A matrix of the problems and action to overcome those problems will be developed. And a coasted proposal for a harmonized Ural River Basin Water Monitoring Program, will be developed, applying the UNECE Guidelines on Monitoring and Assessment of Transboundary Watercourses, and including approaches for capacity building for the upgrading, operation and maintenance of monitoring stations. A strategy to fully engage private sector in the TDA/SAP process will be fully developed.

Component 2: Strengthening Existing Foundational Capacity for Bilateral Cooperation. The project will strengthen national and regional policy, legal and institutional framework to address priority transboundary water, land and biodiversity issues and country capacities in integrated land and water management and transboundary cooperation. Outputs of this proposed component include: (i) a A bi-national Strategic Action Program (SAP) of agreed legal, policy and institutional reforms, which will address main issues of transboundary concern and contain concrete commitments (legal, policy, institutional reforms, and investments) at the national and regional levels with focus on chemical pollution, mitigation of flood hazards, management of hydraulic infrastructure and hydropower generation schemes in the lower basin; and erosion control, formulated on the basis of the results of the TDA, stakeholder consultations, and experience gained with pilot projects; (ii) Increased scientific and technical institutional capacity for sustainable use of transboundary water and land resource; (iii) Key national agencies responsible for use and protection of transboundary water, groundwater, biodiversity and land resources will be strengthened and enhanced with best IL&WRM and transboundary cooperation practices; (iv) Russia-Kazakhstan intergovernmental Commission for Joint Use and Protection of Transboundary water Basins will be strengthened and enhanced with best IWRM and transboundary cooperation practices; new interagency/intergovernment working groups will be set up as necessary to deliver technical substantive support to the Russia-Kazakhstani Commission (v) SAP endorsement at the ministerial level in both countries. Once the SAP is endorsed by the relevant ministries in each country, the SAP implementation mechanisms will be proposed at national and sub-basin levels to improve coordination and cooperation on conservation and management of water and land resources at both sides of the Ural river basin; (vi) land-use practices optimized so that economic activities do not threaten ecosystem integrity and further depletion/land degradation is prevented. The project will also support the countries towards negotiation of a functional and bilateral legal framework to address priority issues, where countries commit to sustaining joint cooperation mechanisms and to undertake priority land and water governance reforms and investments. The project will strengthen the capacity of national scientific, technical and expert structures; strengthen capacity and mechanisms for the transboundary cooperation through a Russia- Kazakhstani Commission on joint use and protection of transboundary waters; facilitate SAP endorsement at the national level; develop regional transboundary working plans that are endorsed at the national level; and conduct workshops, roundtables, and bilateral and multilateral working meetings.

Component 3: Demonstration of Technologies and Practices for INRM. In the proposed project, INRM development will incorporate the latest lessons learned from the recently completed UNDP-GEF Tisza River

Basin project, which combined “top down” institutional policy development with “bottom up” public demonstration project recommendations. The proposed project will lead to good land, water and biodiversity management practices demonstrated in selected areas of the Ural River basin and demonstration results support integrated management of land, water, biodiversity and production systems; reduced stress on water and land resources, with introduction of a climate resilient ecosystem-based management to sustain environmental quality throughout the URB; and increased capacity to apply adaptive management tools in SLM. The proposed project will introduce a program of innovative pilot INRM projects demonstrate sustainable land and water management (SLM) at local levels. Such activities may include: piloting INRM practices and water use efficiency measures, including obligations arising from the Convention on the Protection and Use of Transboundary Watercourses and International Lakes UNECE; demonstration of pollution reduction at the local level, demonstrations and strategy development for land use planning for agriculture lands and for soil conservation/erosion control/nutrient runoff reduction. The project will ensure information, results and best practices on INRM/SLM are harvested and disseminated and government agencies are collaborating on INRM/SLM initiatives across sectors and at multiple scales. The project will propose to undertake action at sub-basins and demo interventions to address, inter alia: floods and droughts stemming in Ural from increased climatic variability and change; pollution of important fish habitats; strengthen enforcement capacity of conservation and management policies; flood risk management, including early warning; improve and demonstrate best practices on livestock water well management; sturgeon habitats protection; demonstrate principles of sustainable pasture management using a Kazakhstan model of joint pasture management, as well as a development standards format of joint pasture management, including financial sustainability and charter of joint pasture management; demonstrate joint forest management principles and development standards of joint forest management including financial sustainability and charter of joint forest management; and designing of a replication that is actionable, dynamic and facilitates SLM. The project will focus also on fishery and fish swamping activities in the Ural River: i) analysis of the current condition of the fishery and benchmarking of best fisheries and fish swamping from the similar rivers; ii) development of interim guidelines and recommendations to the regulations for the sustainable development of fishery and fish swamping; iii) capacity building of the local communities along river and personnel of the Fishery Committee through workshops and on-side training seminars. The project will result in the interim guidelines and specific recommendations to the sustainable management of the fisheries, including improvement of quality of fish products, conservation of biodiversity and improvement of ecological environment, practices of sustainable fishery. Detailed assessment and prefeasibility studies for demonstration activities will be carried out during the PPG phase focusing on the pollution and waste management, sustainable fishery, sustainable land management. This work will be accompanied with the analysis of potential private sector partnerships and investment opportunities in the region. The pilot demonstrations will be fully designed with associated work plan and budget and final agreement among the countries will be reached during the PPG implementation. Selection criteria will be developed and approved by the project SC and will take into account country baseline and co-financing commitments, GEF5 IW and LD strategies, as well as co-funding available from possible other partners. The selection criteria for demonstration activities co-financed by the GEF will include but will not be limited to:

- Quantifiable impact on the state of Ural basin ecosystems/resources, reduction of pollution, improvement of land and water quality;
- Incremental nature of the GEF investment and co-financing arrangements in place;
- Knowledge and technology transfer in the transboundary, subregional and global context;
- Innovation, demonstration value and replicability,
- Social and economic impacts and securing social, environmental and gender safeguards

Component 4: Stakeholder Involvement, Gender Mainstreaming and Communication Strategies. The proposed project will enhance public support and participation in processes to enhance integrated bilateral management of the URB is enhanced through stakeholder involvement and gender mainstreaming; private sector engagement through public-private partnership (PPPs) at regional and local levels and broaden stakeholder awareness of the project, its activities, results and impacts. A preliminary assessment and a prefeasibility study for potential PPPs will be carried out during the PPG stage. The potential areas for PPPs in

the Ural Basin might include waste management, sustainable water management and fishery. Following the assessment during the PPG and identification of private sector stakeholders for the full project, the FSP Component 4 will be aimed at brokering sector specific partnerships aimed at sustainable resource management in the Ural Basin. A Stakeholder Involvement and Gender Mainstreaming Strategy will be defined and implemented. Based on a Stakeholder Involvement Strategy, specific activities will be implemented to engage a wide range of stakeholders in the project implementation in order to facilitate stakeholder ownership; ensure the long-term sustainability of project outcomes; and lead to more informed implementation (with knowledge at the national and regional levels) of the project activities. Furthermore, a gender mainstreaming approach will be integrated into the project's overall stakeholder involvement strategy by giving visibility and support to both women's and men's contributions individually, identifying gaps in equality, and developing strategies and policies to close those gaps. The proposed project's results, knowledge and best practices will be captured and transferred via project website to be used as a communication platform and repository for project documentation as well as knowledge management portal in accordance with IW:LEARN guidance. The project team will participate in the GEF IW biennial conferences, regional roundtable dialogues, project twinnings, and other IW:LEARN-related activities, sharing best practices via UNCCD KM and enhance awareness at the political level and among decision makers, creating an enabling environment for action. All of the project's main events, findings and achievements will be recorded and disseminated through media events and ICT. The project will report using the GEF 5 IW and LD Tracking Tools. Communication and dissemination of a "Shared Vision", and other key messages, will occur through a series of regional conferences and special events coinciding with the GEF Biennial IW Conferences and other global events. In order to share experiences more widely with the international water management community, a project information and experience sharing system will be developed through the coordinating offices, while the contribution to GEF IW:LEARN activities will continue as noted above with 1% of the GEF grant dedicated to continued participation in IW:LEARN activities.

4) Incremental/Additional Cost Reasoning and Expected Contributions from the Baseline, the GEFTF, LDCF/SCCF and Co-Financing

28. The Ural River basin is a major component of the much larger regional catchment area of the Caspian Sea. Notwithstanding the significant impact that the Ural river basin has on the more complex and strategic value of Caspian Sea resources, there is now accepted recognition of the inherent value of upgrading the management of the upper Ural river basin for its own sake. The ensuing mitigation of water pollution will benefit not only the population and ecosystems of both countries upstream but will also provide collateral benefits to the Caspian Sea downstream. The present complexity of environmental stresses in the Ural river basin are rising concurrently as economic development begins to escalate in the region. Both Kazakhstan and Russia have recognized this fact and have demonstrated considerable initiative to address the management of water resources in the Ural river basin on their own. The relatively large number of agreements, consultations and research studies undertaken in the last twenty years are evident testimony of the determination of both countries to address their common transboundary issues. The proposed project will build on these initiatives and has been designed to enable the countries to first identify and then prioritize the major pollution and other environmental issues that need to be addressed in the Ural river basin. This will lead to the development of a Strategic Action Programme based on IWRM, INRM and SLM principles, which will also facilitate the consolidation of the several fragmented management schemes, consultation mechanisms and cooperation efforts that have evolved in the basin.

29. This will strengthen the implementation of IWRM at the national and transboundary level, and encourage ecosystem-based management, by implementing the full range of policy, legal and institutional reforms towards the sustainable use of river ecosystems at the national, transboundary and international levels. The GEF resources will support incremental activities including:

In particular, Components 1 and 2 will consolidate a common knowledge base and build foundational capacity for bilateral cooperation. Institutional strengthening will result in enhanced synergy and cooperation, which will ultimately help to provide socioeconomic benefits throughout the Ural river basin. Component 3 will see

demonstration of technologies and practices for IWRM and INRM ecosystem management, focused on a program of on-the-ground pilot demonstrations of innovative INRM and IWRM techniques which are also conducive to sustainable land management (SLM). Such demonstration projects will bring about concrete socioeconomic benefits at the local and national levels (e.g.: flood hazards mitigation, drought alleviation, pollution reduction, and others), and if replicated at the transboundary level within the entire Ural river basin as part of IWRM planning will enhance the population welfare in the two riparian countries. Component 4 will build the capacity of civil society and the private sector to more effectively participate in the decision making processes in land and water management, and will strengthen gender equality in the sector. This will be specifically evident in the Russian part of the basin where the potential engagement of Cossack organizations in the region (Orenburg and Ural Oblast) will introduce new stakeholders and stimulate public awareness and wider interest in the IWRM approach of basin resource management. In Kazakhstan's agricultural communities, where women still maintain a disproportionate role in domestic water management, the socio-economic benefits accruing from the project can expect to have a beneficial long-term impact on local food production and preparation, care of domestic animals, personal hygiene, care of the sick, cleaning, washing and domestic waste disposal. In order to better incorporate gender issues into the IWRM, indicators should be disaggregated as much as possible. Since the demographics and social customs of the Ural River basin region suggest that men and women are likely to be affected differently by both climate change and water management issues, the anticipated project outcomes will be clearly delineated in order to better show the social dimensions of climatic risk on both genders.

30. In addition, the project will conduct a series of on-the-ground pilot demonstrations in Kazakhstan and Russia showcasing innovative INRM techniques conducive to sustainable land management (SLM), stress reduction to water system, including pollution reduction and developing a replication strategy for wider application in the basin and beyond.
31. The present project will be strongly co-financed by the national governments. In Kazakhstan, the government will provide co-financing from the following national programmes and plans: National Action Plan to the concept of transition of Kazakhstan to the "Green Economy", 2013-2020 -Land and water use efficiency and management; Master Plan on development of fodder production of the state program of " Agribusiness 2020"; Master Plan on rational land use management of the state program "Agribusiness 2020"; State Program on Water Resources Management in Kazakhstan to 2020. In Russian Federation, the government will provide co-financing through the following: Ministry of natural resources and environment (Federal Government) and Federal Target Programmes on clean water and water resource management, sustainable development of agriculture and waste management; Regional target programmes of the Bashkiria republic, Orenburg and Chelyabinsk Oblasts (provincial government) on water resource management, waste management, sustainable land management and environment protection. UNDP, as Implementing agency for this project will provide co-financing from its water and ocean governance programme implementation and jointly with UNECE through the implementation of the EU project: "Supporting Kazakhstan's transition to a Green Economy Model".

5) Global Environmental Benefits (GEFTF, NPIF) and/or Adaptation Benefits (LDCF/SCCF)

32. The global benefits to be accrued through the project consist essentially in increased levels of multi-country cooperation in the management of the Ural river basin, increased water security, and the balancing of competing and conflicting uses of water and natural resources when considering the tradeoffs to be made between socio-economic development objectives and ecosystem protection. A specific and well-recognized global benefit will be achieved through the maintenance of the hydrological flow pattern and river environment that is important to the conservation of natural spawning grounds of the sturgeon and other native fish species of the Caspian sea. As the countries have signaled their intention to increase regional development in the Ural basin, one can expect to see an expansion of the existing mining, hydropower, agriculture and fishing industries in the foreseeable future. In order to maximize the ability of the project to produce collateral benefits in the face of such expansion, the project design will include specific elements emphasizing the national benefits that increased transboundary cooperation in water management bring about. Global benefits will also be accrued by facilitating a broader and more effective collective bilateral management scheme that will embrace the basin in

its entirety and foster the integrity of the basin ecosystems and the services they provide. This will include the wider application of a financial mechanism in pasture and productive landscape management. Building upon the past experience of GEF funded projects' efforts, the project will create a more conducive policy and legal framework for establishment of ecosystem approaches for sustainable and better integrated pasture and landscape use planning and management, and build national and local capacity for practical implementation of such planning in the field. Existing best practices and approaches will be replicated at a wider scale within selected representative oblasts.

A.2. Stakeholders. Identify Key Stakeholders (Including Civil Society Organizations, Indigenous People, Gender Groups, and Others as Relevant) and Describe How They will be engaged in Project Preparation:

33. The Ministry of Natural Resources and Environment of the Russian Federation (MNRE), with the Federal Agency for Water Resources, the Ministry of Agriculture of the Russian Federation with the Federal Agency for Fisheries are the central institutions responsible for transboundary water issues, climate change issues, state of biological resources and sustainable land management in the Russian Federation. Other ministries, such as the Ministry of Transport of the Russian Federation are also important, however, their respective roles are more focused on law enforcement and emergency response functions. The Ministry of Natural Resources Management and Environment of the Republic of Bashkortostan, the Ministry of Agriculture of the Republic of Bashkortostan, the Ministry of natural resources, environment and property relations of the Orenburg region, the Ministry of Agriculture, Food and Processing Industries of the Orenburg region, the Ministry for Industry and Natural Resources of the Chelyabinsk region the Ministry for Agriculture of the Chelyabinsk region are parties to the project and have the necessary capacity and expertise. The Ministry of the Environmental Protection, Ministry of Agriculture and the State Committee on Water Resources and National agricultural extension centers can be expected to play a similar role in Kazakhstan. All of these institutions figure prominently in past and present international projects and have considerable experience at both the national and regional level. Less certain is the capacity for public participation, as the growth of civil society in the former Soviet Union is a still a very uneven process and very much a long-term goal of socio-political reform. What little information exists suggests that levels of public participation in the decision making process in Russia and Kazakhstan vary dramatically in geographical region and historical experience. As a general rule, the further one goes away from the major cities, and deeper into the regions, the less reliable information becomes, or information is nonexistent altogether. However, the various interventions cited to date, especially in the promotion of IWRM and INRM, have had the effect of bringing some change to the region and there is every reason to believe that indigenous pockets of public participation are both possible and achievable.
34. One such example relates to the Cossack communities in the Orenburg region of Russia that have a long established tradition of local governance that are now officially recognized and frequently blended into the administrative apparatus of a given Oblast. They, together with NGOs such as "Green Don", and small environmental research firms like "Don Eco", represent the embryonic growth of public participation in the southern Russian Ural region. These are further supplemented by NGOs, such as the "Farmer of Kazakhstan Foundation", which act in a similar capacity and have been instrumental in the promotion of sustainable land management issues in Kazakhstan. In general, public participation and stakeholder involvement in the Ural River basin follows the general mixed trend that exists at the national levels. Positive examples, such as the NGOs named above, have already acquired some international cooperation experience and seek more exposure and additional engagement. The proposed project will act within a context where the principles of stakeholder involvement, while fully recognized by the respective countries, are not yet exemplified in daily practice, and more effort will need to be expended at all levels to promote public participation in the policy development process. The project will therefore strive to engage a higher standard of stakeholder involvement in the management of water and biological resources, and sustainable land management, which are considered essential elements of the success of the project itself.

A.3 Risk. Indicate Risks, Including Climate Change, Potential Social and Environmental Risks That Might Prevent The Project Objectives From Being Achieved, and, If Possible, Propose Measures That Address These Risks To Be Further Developed During The Project Design (Table Format Acceptable):

35. The political and economic background of all the CIS countries of the former Soviet Union continue to show an unduly high degree of vertical administrative control. Consequently the only identifiable risk that may hinder the ability of the project to reach its objective is the lack of political support at the highest executive level. This risk will be mitigated by including a strong regional representation of stakeholders in the project, to complement the lead National Ministries of both countries. As both Russia and Kazakhstan already recognize the political and strategic value of the Caspian basin, the project design will leverage the cooperation, experience and risk mitigation efforts identified in the Caspian Environment Programme. Given the nature of the project—oriented toward joint fact finding, consensus building, establishing processes, and creating enabling political environments—climate change will not have any impact on the project likelihood of success in the brief project time frame. On the other hand, climate change and increased climatic fluctuations will have to be taken into full consideration as part of the technical components of the project— from the diagnostic analysis, to the identification of needed priority actions—so that future management of the basin will include measures and provisions to face this new challenge to sustainability.

RISK	LEVEL	MITIGATION
Failure to agree on a common knowledge base and foundational capacity for bilateral cooperation.	L	Both Kazakhstan and Russia have recently shown an increase in cross-border exchanges and consultations in the Ural basin. Neither the environmental issues, nor the geography are new territory for the two countries, as both have extensive multi-year cooperation experience in the Caspian Environment Programme (Caspian Sea), of which the Ural river is an important sub-basin. The maturity of this Caspian relationship and its institutional infrastructures can expect to offer a steady backdrop and leverage to mitigating any real or unforeseen problems that may arise during project implementation in the Ural river basin.
Failure of demonstration projects to introduce new technologies and practices for INRM and IWRM	L	Familiarity with current IWRM and INRM practices has grown extensively in the region during the last few years. The challenge will be not so much the science of the practices themselves as with the ability of creating ‘buy-in’ with a wide array of stakeholders in remote regions of the respective countries. The project will place a high priority on stakeholder involvement and partner selection in order to achieve maximum capacity building and ensure successful replication.
Difficulty in ensuring enabling legal and institutional framework is adequately modified in a timely manner	M	The fundamental changes in the roles and contributions of state agencies on addressing and consolidating transboundary land use issues into policy and legal documents, will be difficult unless there is full commitment and a clear political understanding of the need to make such changes. To a degree, this understanding and commitment has already been built. However, in order to further mitigate the risk, the project will undertake dedicated and carefully targeted awareness and capacity building at the outset of the project
Climate vulnerability risks, such as seasonal drought in semi-desert areas.	M	The project will integrate its efforts with UNDP “Climate Risk Management in Kazakhstan” project, which is part of the on-going multi-country UNDP project “Central Asian Multi-Country Programme on Climate Risk Management (CA-CRM)”. Based on the Cabinet of Ministers approval, the project will join a number of relevant stakeholders to reduce climate-related disasters, initiate adaptation to climate change, and integrate climate risk management into the development policies and strategies of Kazakhstan at the national, sub-national and local levels. Moreover, one of the project focus areas includes climate-related disaster management, with a particular focus on droughts.
Conflict and misunderstanding among public institutions, private sector partners, NGOs and resource users undermine partnership approaches and implementation of cooperative governance arrangements.	M	Formal agreements will be used, where possible, to define roles and responsibilities. Trainings will be provided to stakeholders on governance and conflict resolution. The sustainable development of the landscape will be emphasized with arguments supported by long-term economic stimulation forecasts.

Risk Rating: L - Low; M – Medium; S – Substantial

A.4. Coordination. Outline the Coordination With Other Relevant GEF Financed and Other Initiatives:

Kazakhstan

36. The project will build on the experiences and lessons from the World Bank/GEF project “Biodiversity Conservation in Western Tian-Shan”, “Drylands Management Project” and “Forest Protection & Rehabilitation” vis-à-vis participatory land and rangelands management (e.g. herder agreements on restoration and development of degraded rangelands, community management of grazing pressure, and provision of water resources for associated rangelands). In particular, the project employs a number of generated positive results that demonstrated the environmental, social and economic viability of shifting from the current unsustainable

agricultural production of monocultures and livestock raising in dryland ecosystems to a well-balanced and beneficial agricultural system for rural communities.

37. In Kazakhstan, there is an important project in the field of climate change that would run in parallel to the proposed project. Although that project will be near the end of its implementation cycle, it will still offer an excellent opportunity for relevant synergies, knowledge transfer and sharing of lessons learned in a critical sector targeted in the GEF 5 Strategy. That project, ‘Strengthening the Capacity in the Field of Sustainable Development Through Integration of Climate Change Issues Into Strategic Planning in the Republic of Kazakhstan’, is the continuation of the partnership between UNDP and the Ministry of Environmental Protection. This UNDP-GEF project will render assistance to the Ministry to introduce the policy of low-carbon development and promote active participation in international processes related to implementation of commitments under the UNFCCC, and elaborate on the climate change adaptation policy. This is particularly relevant for the current project proposal as climate change impacts (including climate-related disasters) and their inherent complexity, are likely to pose considerable risks to important economic drivers, human welfare and the environment of Kazakhstan. As a result, climate variability is likely to trigger a host of food security, water security, energy security, human health and poverty problems in the country. The main objective of the aforementioned climate change project is to promote reduction of climate-related disasters and adaptation to climate change in Kazakhstan, and to integrate climate risk management into Kazakhstan’s core development policy and strategies. A very significant development, with implications for the proposed project, occurred in April 2011 with the announcement of a memorandum of understanding (MOU) signed by the Eurasian Development Bank and the UNDP Regional Director for Europe and the CIS. The MOU is significant as it foresees the introduction of a strong partner agency, EDB, to Ural basin activities. The MOU names areas of common interest that will result in projects harnessing renewable energy resources in rural areas in Central Asia, with an emphasis on small hydropower plants, studies of the problems of joint water management on cross-border rivers, and support for Russian-Kazakh cooperation in preserving ecosystems in the Ural basin.

Russian Federation

38. UNDP-GEF has been implementing a biodiversity project for Russia’s steppe protected areas, “Improving the Coverage and Management Efficiency of Protected Areas in the Steppe Biome of Russia” (2010-2015). This project’s objective is to develop the capacity and ecologically-based enabling tools for integrated management of a system of protected natural areas at the landscape level within the steppe biome. The Orenburg oblast, located in the Ural River basin, is one of the key pilot sites. In the territory of the Orenburg Oblast the project above all looks at sustainable agriculture and land management options and solutions addressing threats to steppe ecosystems. There is an opportunity to develop coordination activities with the proposed Ural River Basin at the regional level.
39. Since 2013 UNDP has been implementing an EC/GEF funded project “Conservation and sustainable management of peatlands in Russia to minimize carbon emissions and help ecosystems to adapt to climate change”. The project covers steppe areas of the Bashkortostan Republic and will pilot innovative approaches to ecosystem inventory, improved land management and planning to increase ecosystem resilience and adaptive capacity to climate change, ecosystem restoration. The new UNDP/GEF project will be coordinated with and informed by the on-going UNDP/EC project in Bashkortostan Republic.
40. The project will also build upon and coordinate with the national federal and provincial activities. In particular federal target programs "Clean Water", "Conservation, Rehabilitation and Improvement of Soil Fertility of Agricultural Lands and Agrolandscapes as the Russian National Heritage" and “Development of water resources management in the Russian Federation for 2012-2020” that consolidate federal and extra-budgetary (private sector) financed investment activities. At the provincial level sectoral activities include “Clean water” programs in Chelyabinsk and in Orenburg Oblast; “Development of water resources management” in Bashkortostan republic, Chelyabinsk and Orenburg Oblasts. Several new regional initiatives are also scheduled to commence this year in the waste management sector. Broadly viewed, these programs will aim to reduce surface water and groundwater pollution in the Ural River basin. One such program, "Improvement of solid waste management" in the republic of Bashkortostan (2011-2020), includes the twin objectives of developing

and implementing measures aimed at improving the treatment of municipal solid waste and the elimination of unauthorized waste disposal sites in order to reduce the negative anthropogenic impact on the environment. Another program in the Orenburg region, "Waste management" (2011-2016), is aimed at resolving the complex issues of waste collection, disposal, recycling and partially commercializing the accumulated waste products in order to reduce their negative impact on the environment. Of direct relevance to the problems of the Ural River Basin is the regional target programme "Improving the state of environment in Orenburg oblast" (2011-2015). Among the main goals of the programme is a reduction of wastewater discharges through the construction and reconstruction of municipal wastewater treatment facilities, introduction of new technologies and construction of facilities for industrial wastewater treatment.

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 National Strategies And Plans Or Reports And Assessments Under Relevant Conventions, If Applicable, I.E. NAPAs, NAPs, NBSAPs, National Communications, TNAs, NCSAs, NIPs, PRSPs, NPFE, Biennial Update Reports, Etc.:

41. Since the dissolution of the USSR in 1991, both Kazakhstan and Russia have made significant changes to their governing environmental and water legislation. The ensuing twenty years have also exposed significant management and regulatory differences as both countries have responded to their specific interests from a national perspective. An early effort at national coordination of water management issues occurred in the Russian part of the basin with the creation of the Ural River Basin Advisory Council. The Council was composed of working groups with representatives from the Russian regions of Chelyabinsk, Orenburg, Saratov and the Republic of Bashkortostan. Its mandate was advisory in nature and the working groups were tasked to develop recommendations and proposals on various aspects of water management and to increase efficiency in the implementation of measures taken by the Council. This initial effort did not include representatives of Kazakhstan, leading to a recognition that mutual solutions to common problems in the basin would require a transboundary approach. In time, both countries have recognized the need for transboundary cooperation on shared waterways and have taken several steps to address this issue in both bilateral and multilateral agreements. Following on the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Helsinki, 1992), Russia and Kazakhstan signed an Agreement between the Government of the Russian Federation and the Government of the Republic of Kazakhstan On joint Use and Protection of the Transboundary Waters (Orenburg, 1992), which evolved into relatively comprehensive regulatory systems, supported by their own supplementary protocols and decisions of joint bodies. This was followed by the signing of a Protocol on the Shared Use of Transboundary Waters and Coordination of Water Management in the Ural River Basin (1996). In turn, the countries also signed the Agreement on basic principles of cooperation on the rational use and protection of transboundary water bodies of the CIS member states (1998). At the same time the environmental problems of the Ural and other transboundary river basins continued to increase and raised calls for further action. This led to further cooperative engagements most recently in 2009 where the Intergovernmental Commission on Cooperation between the Republic of Kazakhstan and the Russian Federation discussed the creation of an Interstate Ural River Cross-Border Committee and adopted an Interstate Kazakh-Russian Agreement on the Joint Use and Protection of Transboundary Waters which covers the Ishim, Irtysh, Ural, Tobol and Volga basins. This was followed by a meeting of the sixth Russia-Kazakhstan Interregional Cooperation Forum which was dedicated to urgent issues requiring joint decisions at the state level regarding conservation of the Ural River ecosystem (Orenburg, 2009). In 2010, an Agreement was signed between the Government of the Russian Federation and the Government of the Republic of Kazakhstan on the joint use and protection of the Transboundary Water facilities. The agreement was aimed to strengthen and develop cooperation in the field of water management in order to further improve bilateral relations in the sphere of joint use, protection and restoration of the Transboundary Water facilities (Ust-Kamenogorsk, 2010). From the moment this Agreement was signed, the effect of the Agreement on use and protection of the Transboundary Water facilities (Orenburg, 1992) was terminated. In order to implement this Agreement, the Parties created the joint Russian-Kazakhstani Commission on the joint use and protection of the transboundary water resources (Joint Commission), which works under the supervision of two co-chairmen, one from each country. This project will contribute to the implementation of the Joint Commissions' tasks, such as water-use related activities in the transboundary waters, planned for implementation on the territories of the Parties that

may have transboundary impact. The project will also contribute to the organization of monitoring of the transboundary waters based on agreed programs and procedures as well as the organization of a regular exchange of hydrological forecasts, information on the water quality and the water situation in the transboundary water resources.

Kazakhstan

42. The aforementioned evolution of transboundary waters cooperation has been further supplemented by the funding of various national umbrella programs that focus on water issues. Kazakhstan, in particular, has recently funded a number of progressive national programs: targeting the protection and regeneration of nature ecosystems ‘Zhasyl Damu’ (2010-14) at a cost of \$1,552,000 USD, and the improvement of water quality and quantity for its population ‘Ak Bulak’ (2011-2020) at a cost of \$6, 607,000 USD. In addition, this project will specifically complement the national development goals at a country level, as enshrined in the ‘Development Strategy of Kazakhstan till 2030’. The project will also be guided by other medium and long-term development strategies of the Government, such as the ‘Concept of Transition of Kazakhstan to Sustainable Development till 2024’.
43. The Kazakhstan UNDAF for 2010-2015, will assist the country in achieving its national competitiveness agenda with a focus on human development for all. Three inter-related priority areas have emerged as particularly important for United Nations support to the people and Government during this period. These are: (i) Economic and Social Well-Being For All, with particular attention to vulnerable groups, including women, children, migrants, refugees, youth and aged people, and people with disabilities; (ii) Environmental Sustainability, focused on 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; and (iii) Effective Governance, including deepened institutional capacities, civil society and media empowerment, and stronger attention to human rights. The United Nations and its UNDP office in Kazakhstan offers comparative advantages with regard to achieving further tangible progress toward the Millennium Development Goals, drawing on its values, global knowledge base, best practices and lessons learnt; its strong normative mandate and track record in Kazakhstan; its neutrality; and its ability to encourage efficient coordination and facilitate accountability among donors.
44. Since October 2013, UNDP is implementing the project “Mobilizing Support to the National Action Plan Alignment and UNCCD Reporting and Review Process in Kazakhstan” that is a part of the second generation of Land Degradation Enabling Activities (LD EA) under the GEF. Kazakhstan has been Party to the Convention to Combat Desertification since 9 July 1997. The project addresses the country’s need to continue to fulfill its obligations under the CCD, with particular focus on the Article 26 (on “Communication of information”) of the UNCCD and Decision 3 of the 9th Conference of Parties (on “Alignment of the action programmes with the Strategy”). Thus, the project is a significant contribution to Kazakhstan’s efforts towards implementing the UNCCD strategic plan for 2008-2018 (10-Year Strategy) at the national level. The project builds on the current status and achievements of Kazakhstan with respect to the planning and reporting on combating desertification. It aims to integrate Kazakhstan’s obligations under the UNCCD into its national development and sectoral planning frameworks through a renewed and participative ‘sustainable land management (SLM) planning’ and strategizing process. This process is expected to produce measurable targets for combating desertification. It will equally ensure that the value of ecosystems’ goods and services, as well as the challenges and opportunities for ecosystem-based adaptation and resilience are taken into consideration in the process. The project will achieve its objective through the implementation of two components, whose activities are thoroughly described in the GEF approved proposal for LD EA. They are: (1) To ensure the alignment of the national action plan (NAP) with the UNCCD 10-Year Strategy and country NAP/desertification-, LD- and droughts-relevant policies; (2) Support to CCD reporting and review.

Russian Federation

45. Russian Federation activities in environmental management and water resources are based on legislation of the Russian Federation, the Russian regions and national strategic documents. The basic law on management and protection of water resources is the Water Code of the Russian Federation dated 3rd July 2006. It establishes a basic framework for the use and protection of water resources and determines river basins as the fundamental unit of management, including the Ural river basin. The Water Code also establishes the general provisions for the protection of water resources from pollution, and determines water and coastal protected zones. The Land Code of the Russian Federation, dated 25th October 2011, is aimed to streamlined and harmonized land relations, and is based on the priority rule of land law in the regulation of any relationships involving land. The Code establishes as a priority, the protection of valuable lands and lands of protected areas. The goals of the land protection are: prevention of degradation, pollution, littering; violations of land; other negative (harmful) effects of economic activity; as well as ensuring improvement and restoration. Additionally, the Federal Laws on “Land Management” and “the State Cadastre of Real Estate” constitute the essential acts regulating the protection of land. The Federal Law “On Environmental Protection”, dated 10th January 2002, establishing the governmental supervision on the use and protection of water bodies, outlines land use controls, and prohibits discharge of pollutants, other substances and microorganisms, and industrial and domestic waste, including radioactive waste into surface and ground waters and watersheds. Amendments to the Federal Law “On Environment Protection”, adopted on 21st November 2011, included above all new regulations on environmental monitoring. The Federal Laws on “Fisheries and Conservation of Aquatic Biological Resources”, dated 20th December 2004, and “on Wildlife”, dated 24th April 1995, are fundamental Acts on the management of biological water resources. The main goals of the state program of the Russian Federation “Environmental Protection” for 2012-2020, are to increase the level of environmental safety for citizens, and to ensure the preservation of natural systems. These goals are achieved through the following activities: reducing the total anthropogenic impact on the environment by improving the ecological efficiency of the economy; preserving and restoring Russia’s biodiversity; and improving effective functioning of the system of hydrometeorological and environmental monitoring. The Program is divided into several sections, such as “Regulation of the Quality of the Environment” (regulation of emissions, effluents, waste), “Biodiversity of Russia”, and “Hydrometeorology and Environmental Monitoring”. Water Strategy of the Russian Federation for the period until 2020, adopted on 27th August 2009, highlights the protection of water bodies as a priority for the development of water management sectors. Creation of economic incentives is planned in order to reduce discharge of pollutants with wastewaters, such as partial return of payments for negative impact on water resources in the implementation of water user investments in the construction, reconstruction and technical re-equipment of sewage disposal facilities based on technology. “The National Strategy of Biodiversity Conservation in Russia” has been in force since 2002 and sets out the basic policy guidelines of the Russian Federation in the field of biodiversity conservation. In particular, the Strategy approves the adoption of an integrated ecosystem management approach as a key prerequisite for ensuring biodiversity conservation and sustainable use of natural resources. Sectoral economic development in accordance with the sustainable land management principles (SLM) is declared to be one of the key elements for such an approach. The corresponding Action plan lists among its key priorities the conservation of unique and most representative freshwater and wetland ecosystems, and restoration of disturbed or degraded floodplains, deltas and small rivers. In 2009, the Climate Doctrine of the Russian Federation was adopted. The Climate Doctrine outlines key state policy objectives on climate change, such as an increased scientific and technological capacity to ensure complete and accurate information on the state of the climate system, climate impacts, and future changes consequences; development and implementation of immediate and long-term measures on adaptation to climate change and mitigation of human impact; and participation in the international initiatives on climate change and related issues. Since one of the main goals of the project is the restoration of fishery resources in the Ural River basin, it is worth mentioning the concept of the development of fisheries in the Russian Federation for the period up to 2020 (adopted on 2 September 2003) and the Strategy for development of the fishing industry in Russia until 2020. Russia has also adopted the concept of a long-term socio-economic development of the Russian Federation until 2020 (12th November 2008). The Strategy outlines long-term perspective (2008-2020) of the sustainable well-being of Russian citizens, national security, economic development trends and strengthening Russia’s position in the world community. The subjects of the Russian Federation adopted regional legislation and regulations extending and specifying provisions of the federal legislation that reflect local conditions and approaches in the environmental protection and natural resource management. For

example, in the Republic of Bashkortostan, for the purposes of management and protection of water resources, the Environmental Code of the Republic of Bashkortostan is applied, as well as the law "On Fisheries and Conservation of Aquatic Biological Resources in the Republic of Bashkortostan". This regional project will build upon existing transboundary cooperation between the Russian Federation and Kazakhstan, addressing conservation and sustainable management of the Ural River Basin transboundary ecosystems. The proposed project will specifically promote the adoption of IWRM and INRM approaches in the respective governing legislation of both Kazakhstan and the Russian Federation. Building on the aforementioned legacy of transboundary cooperation on water issues, the proposed project will now leverage this experience to similarly address issues of sustainable land management and climate change in the Ural River Basin. In summary, both Kazakhstan and the Russian Federation are committed to sustainably managing water and land resources as reflected in the previously referred to national and regional development and environment policies and plans, including specifically targeted sectoral programmes at the regional level. Each of the countries has a growing NGO community and an established academic/research sector, which can support and complement the work of NGOs in this area.

B.2. GEF Focal Area and/or Fund(s) Strategies, Eligibility Criteria and Priorities:

46. The proposed project is fully consistent with the long-term goal of the International Waters focal area: the promotion of collective management for transboundary water systems and subsequent implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services. Its specific objectives fall under Objective 3 of the IW Focal Area: “*Support foundational capacity building ... for ecosystem-based, joint management of transboundary water systems*”, which includes dialogue, capacity building for legal reforms, and potential agreement for improved legal and governance matters at multiple levels from the transboundary to sub-basin, national, and local. The proposed project is also consistent with the goal of the Land Degradation focal area: to contribute to arresting and reversing current global trends in land degradation, specifically desertification and deforestation. Its specific objectives fall under Objective 3 of the LD Focal Area: “*Reduce pressures on natural resources from competing land uses in the wider landscape*”, which includes creating enabling environments in support of SLM and the adoption of good management practices in the wider landscape by relevant economic sectors. Finally, the project, with its consideration of climatic variability and change, role of groundwater, and gender mainstreaming, responds to specific requirements of the GEF IW Strategy. In line with the GEF-5 Strategy, the proposed project will catalyze cooperation to balance conflicting water uses in the Ural river basin and support capacity building, portfolio learning, and targeted research needs for joint, ecosystem-based management of transboundary water systems.

B.3 The GEF Agency’s comparative advantage for implementing this project:

47. UNDP has the primary focus to reduce poverty through improving management and governance of water resources. As highlighted in the UNDP Strategic Plan 2014-2017, the norms, rules, regulations and institutions governing access to natural resources are now at the heart of the struggle to eliminate poverty and must receive the same attention in *development thinking, policy and management, as economic growth. The outcomes and outputs of the Integrated Results and Resources Framework for UNDP Water and Oceans Governance Programme*⁸ address this specifically with “Outcome 2: Citizen expectation for voice, development, the rule of law and accountability are met by stronger systems of democratic governance. Output 2.5 Legal and regulatory frameworks, policies and institutions, enabled to ensure the conservation, sustainable use, and access and benefits sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation.” Indicated by Output 2.5.2 “Number of countries implementing national and local plans for Integrated Water Resources Management” Additionally, “Outcome 7: Development debates and actions at all levels prioritise poverty, inequality and exclusions, consistent with our engagement principles. Output 7.6 Innovations enabled for development solutions, partnerships and other collaborative arrangements” indicated by 7.6.1 Number of new public-private partnership mechanisms that provide innovative solutions for development,

⁸ The text in this section draws extensively and directly from “Water and Ocean Governance Programme Contribution to Realizing the UNDP Strategic Plan 2014-2017”

and 7.6.2 Number of pilot and demonstration project initiated or scaled up by national partners (e.g. expanded, replicated, adapted or sustained).” These Outcomes, outputs and indicators are directly reflected in this project and will be strengthened by the guidance of UNDP.

48. The vision of UNDP’s Water and Ocean Governance Programme is “to achieve integrated, climate-resilient, sustainable and equitable management of water and ocean resources, and universal access to safe water supply and sanitation, through improved water and ocean governance.” Specifically UNDP Water and Oceans works in three inter-linked thematic areas, strategic activities and strategic levels pertain directly to this project. These include UNDP’s work with climate resilient access to water supply and sanitation, and climate resilient, integrated approaches to water resources and transboundary waters; secondly, UNDP engages in capacity development, knowledge management, programme development and implementation; and, thirdly, UNDP applies strategic activities and thematic priorities at different levels – local, national, regional, and global- and seeks to connect the dots between them for better impacts on policy development and programme delivery.
49. As a GEF implementing agency, UNDP offers countries specialized technical services in relation to waters and oceans. UNDP manages portfolios on integrated water resources management; multi-country management of transboundary rivers, lakes and aquifers; and climate change adaptation. The GEF Waters & Oceans portfolio supports over 100 countries in implementing 30 projects. The Projects represent an investment worth over \$700 million in multiple development benefits in these countries. As countries improve governance of waters, they also augment opportunities for enhancing sustainability, efficiency and equity. Improving governance also gives stakeholders, particularly women and other marginalized groups greater prospects for exerting influence.

UNDP has strong comparative advantages. Organizations that work with UNDP draw on a number of strengths and opportunities:


- UNDP has an existing mandate on governance and capacity development, and is a world leader in the field.
 - UNDP has a mandate to convene and coordinate, and places a leading role in coordination in the UN
 - UNDP is a trusted, impartial, long-term facilitator and development partner at local, country, regional and global levels which is critical to the challenges of this particular project
 - UNDP has a high level access to national development planning processes
 - UNDP is not limited to a certain water/ocean sub-theme, sector or target group and applies an integrated human rights-based and mainstreaming approach to addressing transboundary water issues, advancing the management of water resources, water supply and sanitation, and water related climate change adaptation.
50. UNDP is uniquely situated in the Ural basin to provide support, facilitating and technical guidance for this project and as an implementing agency is well placed to facilitate and coordinate successfully with other donor and nationally based initiatives.
 51. Lastly, UNDP builds on both its field presence in both countries. In addition, the project will be directly supported by an experienced UNDP Regional Technical Advisor based in the region and by the UNDP Principal Technical Advisor at UNDP Headquarters with responsibility for global oversight of the UNDP Water & Ocean Governance programme.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

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

Mr. Nurlan Kapparov	Minister, GEF Operational Focal Point for Kazakhstan	Ministry of Environment Protection, Kazakhstan	05 December 2013
Mr. Rinat Gizatulin	Deputy Minister, GEF Operational Focal Point for the RF	Ministry of Natural Resources and Environment, Russian Federation	29 November 2013

- B. **GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yy yy)	Project Contact Person	Telephone	Email
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