



**United Nations Development Programme  
Country: Uzbekistan  
PROJECT DOCUMENT**

**Project Title:** Mainstreaming biodiversity into Uzbekistan's oil-and-gas sector policies and operations.

**UNDAF Outcome(s)/Indicator(s):** Principles of sustainable development integrated into country policies and programs.

**UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:** #4.1: Mainstreaming environment and energy.

**Expected CP Outcome(s)/Indicator(s):** Outcome #2.1: Increased availability of institutional products and services for the conservation and sustainable and equitable use of natural resources.  
Indicator: # of such products and services available.

**Expected CPAP Output(s)/Indicator(s):** Output #2.1.1: Concrete interventions on sustainable natural resources use, including water, land, biodiversity resources, and on climate change (mitigation, adaptation and carbon financing) complemented with environment education/ training component.  
Indicator #3: # of recommendations submitted for government endorsement.

**Implementing partner:** State Committee for Nature Protection (SCNP)

**Responsible Parties:** Ministry of Economy, Uzbekneftegas, Flora and Fauna International (NGO), and private sector oil and gas companies (Lukoil, Petronas Carigali, Gazprom, Aral Sea, KNOC, KOGAS, and CNPC).

**Brief Description**

Uzbekistan's steppes are the one of the last remaining samples of the globally threatened dry temperate grassland biomes. The primary threat facing the Uzbek steppes is oil-and-gas exploration that is increasingly being targeted there. While the country has in place a network of protected areas, the network cannot provide security to the vast swathes of steppes that continue to lie outside the system. The long-term goal to which the project will contribute is that all ongoing and future oil-and-gas operations in Uzbekistan minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The project objective is to mainstream biodiversity conservation into Uzbekistan's oil-and-gas policies and operations by demonstrating this in the Ustyurt Plateau. The project will remove systemic, regulatory and knowledge barriers to realizing this objective, which will be achieved through two outcomes: i) Enabling policy, legislative, and institutional environment for mainstreaming biodiversity conservation considerations in the oil-and-gas sector, and ii) Demonstrating biodiversity mainstreaming technologies in oil-and-gas operations on the Ustyurt Plateau. The immediate global benefits include mainstreaming of biodiversity into the oil-and-gas sector at project sites having a positive impact on an area greater than 2 million hectares. This will ensure population stability of a number of threatened species, including *Houbara bustard*, *Caracal*, *Goitered gazelle*, *Ustyurt urial* and the *Saiga antelope*.

**Programme Period:** 2010-2015  
**Atlas Award ID:** 00060502  
**Atlas Project ID:** 00076189  
**PIMS:** 4280  
**Start date:** November 2010  
**End Date:** July 2014  
**PAC Meeting Date:** August 4, 2010  
**Management Arrangements:** NIM

|                                    |                       |
|------------------------------------|-----------------------|
| <b>AWP 2010:</b>                   | <b>US\$ 20,235</b>    |
| <b>Total resources required:</b>   | <b>US\$ 1,120,000</b> |
| <b>Total allocated resources:</b>  | US\$ 1,120,000        |
| o Regular TRAC:                    | US\$ 170,000          |
| o GEF                              | US\$ 950,000          |
| <b>Unfunded budget (parallel):</b> | <b>US\$ 7,225,812</b> |
| o SCNP (co-financing)              | US\$ 6,000,000        |
| o FFI (co-financing)               | US\$ 1,225,812        |

**Agreed by Mr. Nariman Umarov, Chair, State Committee for Nature Protection of Republic of Uzbekistan:**

NAME \_\_\_\_\_ SIGNATURE  Date/Month/Year \_\_\_\_\_

**Agreed by Ms. Anita Nirody, Resident Representative, UNDP Uzbekistan:**

NAME \_\_\_\_\_ SIGNATURE  Date/Month/Year \_\_\_\_\_

09/11/2010

## TABLE OF CONTENTS

|  |           |
|--|-----------|
| <b>ACRONYMS AND ABBREVIATIONS</b> .....  | <b>3</b>  |
| <b>1. SITUATION ANALYSIS</b> .....   | <b>4</b>  |
| 1.1 GEOGRAPHIC AND BIODIVERSITY CONTEXT .....  | 4         |
| 1.2 THREATS TO BIODIVERSITY OUTSIDE PROTECTED AREAS .....  | 4         |
| 1.3 LEGAL AND INSTITUTIONAL FRAMEWORK FOR MAINSTREAMING BIODIVERSITY INTO THE OIL-AND-GAS SECTOR ..... | 5         |
| <b>2. PROJECT STRATEGY</b> .....   | <b>6</b>  |
| 2.3 PROJECT GOAL, OBJECTIVE, OUTCOMES AND OUTPUTS.....   | 7         |
| 2.4 GENDER ASPECTS OF THE PROJECT .....  | 7         |
| 2.4 INCREMENTAL COST ASSESSMENT .....  | 15        |
| <b>3. RESULTS AND RESOURCES FRAMEWORK</b> .....  | <b>16</b> |
| <b>4. TOTAL BUDGET AND WORKPLAN</b> .....  | <b>19</b> |
| <b>5. MANAGEMENT ARRANGEMENTS</b> .....  | <b>21</b> |
| 5.1 PROJECT IMPLEMENTATION ARRANGEMENTS.....   | 21        |
| 5.2 AUDIT ARRANGEMENTS .....   | 22        |
| 5.3 USE OF INSTITUTIONAL LOGOS ON PROJECT DELIVERABLES .....   | 22        |
| 5.4 COUNTRY OFFICE SUPPORT SERVICES .....  | 22        |
| <b>6. MONITORING FRAMEWORK AND EVALUATION</b> .....  | <b>23</b> |
| <b>7. LEGAL CONTEXT</b> .....  | <b>25</b> |
| <b>8. ANNEXES</b> .....  | <b>28</b> |

## ACRONYMS AND ABBREVIATIONS

|          |   |
|----------|---|
| ADB      | Asian Development Bank  |
| APR      | Annual Project Review   |
| ATLAS    | UNDP's Enterprise Resources Platform                                    |
| AWP      | Annual Work Plan  |
| BBOP     | Business and Biodiversity Offsets Program                               |
| BSAP     | Biodiversity Strategy and Action Plan                                   |
| BSI      | British Standards Institute, UK   |
| CBD      | Convention on Biological Diversity                                      |
| CMS      | Convention on Migratory Species   |
| CNPC     | China National Petroleum Corporation                                    |
| CO       | Country Office  |
| CP       | (UNDP) Country Programme  |
| CPAP     | (UNDP) Country Programme Action Plan                                    |
| CSR      | Corporate Social Responsibility   |
| EBI      | Energy and Biodiversity Initiative                                      |
| EIA      | Environmental Impact Assessment   |
| EMS      | Environment Management System   |
| FFI      | Flora and Fauna International   |
| GEF      | Global Environment Facility   |
| Ha       | Hectares  |
| IC       | Incremental cost  |
| IR       | Inception Report  |
| IUCN     | International Union for the Conservation of Nature                      |
| IW       | Inception Workshop  |
| KNOC     | Korea National Oil Corporation  |
| KOGAS    | Korea Gas Corporation   |
| LPAC     | Local Project Appraisal Committee                                       |
| M&E      | Monitoring and Evaluation   |
| MPC      | Maximum Permissible Concentration                                       |
| MPD      | Maximum Permissible Discharge   |
| MPE      | Maximum Permissible Emission  |
| MSP      | Medium Size Project   |
| NGO      | Non-government Organization   |
| NPC      | National Project Coordinator  |
| PAs      | Protected Areas   |
| PB       | Project Board   |
| PBM      | Project Board Meeting   |
| PIMS     | Project Information Management System                                   |
| PIR      | Project Implementation Review   |
| PIU      | Project Implementation Unit   |
| PPG      | Project Preparation Grant   |
| PSC      | Project Steering Committee  |
| RCU      | Regional Coordination Unit  |
| SBAA     | Standard Basic Assistance Agreement                                     |
| SCNP     | State Committee for Nature Protection                                   |
| SO-2     | (GEF's) Strategic Objective 2 (under the Biodiversity Focal Area)       |
| SRF      | Strategic Results Framework   |
| TORs     | Terms of Reference  |
| TPR      | Tri-partite Review  |
| TTR      | Terminal Tri-partite Review   |
| UNDAF    | United Nations Development Assistance Framework                         |
| UNDP     | United Nations Development Programme                                    |
| UNDP-CO  | United Nations Development Programme – Country Office                   |
| UNDP-GEF | United Nations Development Programme – Global Environment Facility Unit |
| USD      | United States Dollar  |

## 1. SITUATION ANALYSIS

### 1.1 Geographic and biodiversity context

1. Uzbekistan is a landlocked country, located in Central Asia, and bordered by Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, and Turkmenistan (Figure 1). Its territory spans 448,844 km<sup>2</sup>, and is covered by the following main ecosystem types: dry temperate grasslands (steppes) and lowland deserts (which together cover 65% of the country), as well as mountain and inland water ecosystems. The country is part of two WWF Global 200 Ecoregions namely, the Middle-Asian Montane Steppe and Woodlands, and the Central Asian Deserts. More than 27,000 species are found in Uzbekistan, including over 15,000 animals and 4,500 higher plants. Threatened species total 182, including 23 mammals, 48 birds, 16 reptiles, and 17 fishes. Wetland and grassland ecosystems provide important habitats for migratory birds at the junction of two global migration routes (the Afro-Asian and Indo-Eurasian).
2. Uzbekistan's vast dry temperate grassland ecosystems, particularly those areas that are on the border with Kazakhstan in the east, are globally important ecosystems. The steppe bordering Kazakhstan is known as the Ustyurt Plateau. It covers 25% of the country, and is home to a number of endangered species including Central Asian steppe tortoise (*Agriemys horsfieldi*), Four-lined snake (*Elaphe quatuorlineata*), Steppe eagle (*Aquila rapax*), Imperial eagle (*Aquila heliaca*), Golden eagle (*Aquila chrysaetos*), White-tailed eagle (*Haliaeetus albicilla*), Short-toed eagle (*Circaetus gallicus*), Houbara bustard (*Chlamydotis undulate*), Brandt's hedgehog (*Hemiechinus hypomelas*), Honey badger (*Mellivora capensis*), Corsac fox (*Vulpes corsac*), Caracal (*Felis caracal*), Goitered gazelle (*Gazella subgutturosa*), and Ustyurt urial (*Ovis vignei arkal*). One of the most prominent representatives of the Uzbek steppe fauna is the Saiga antelope (*Saiga tatarica tatarica*). The Saiga plays a major role in maintaining the balance and productivity of steppe ecosystems. The Uzbek steppes shelter one of the five remaining populations of Saiga antelope. In the past decade, the world population of Saiga antelope has decreased by more than 95%. The Ustyurt trans-boundary Saiga population is known to migrate to the Uzbek part of the Plateau in winter, which makes the Uzbek range of this population an important area for Saiga conservation.
3. Uzbekistan's steppes are the one of the last remaining samples of the globally threatened dry temperate grassland biomes. The Millennium Ecosystem Assessment (2005) concluded that while most global biomes had lost 20-50% of their area to cropland conversion, temperate grasslands had lost more than 70% of their natural cover by 1950, with a further 15.4% lost since then. These findings make the temperate grasslands one of the greatest global conservation priorities.
4. Recognizing the importance of its biodiversity, Uzbekistan has ratified the Convention on Biodiversity (CBD) and the Convention on the Conservation of Migratory Species (CMS). It has in place a network of protected areas that currently includes four basic categories: State Reserves (Zapovedniks), State National Parks, Special State Reserves (Zakazniks), and State Natural Memorials. The system consists of nine State Reserves (Zapovedniks) with an area of 2,164 km<sup>2</sup>, two National Parks with a total area of 6,061 km<sup>2</sup>, one Biosphere Reserve (452 km<sup>2</sup>), nine Special State Reserves (Zakazniks) with a total area of 12,186.5 km<sup>2</sup>, and one captive breeding centre for rare animals. The total protected area in Uzbekistan is 20,520 km<sup>2</sup> which equals about 4.6% of the Republic's territory. However, in terms of strict/ long term protection (i.e. IUCN Category I and II including the National Parks, Biosphere Reserve and State Reserves) only 8,171 km<sup>2</sup> or 1.8% of the Republic's territory is covered. The Ustyurt Plateau has three Protected Areas (IUCN Category IV). These are Saigachy Zakaznik (10,000 km<sup>2</sup>) and Sudochye Zakaznik (500 km<sup>2</sup>).<sup>1</sup> While the network of protected areas forms a corner stone of national efforts for conservation and sustainable use of biodiversity, it cannot provide security to the vast swathes of steppes that continue to lie outside the network.

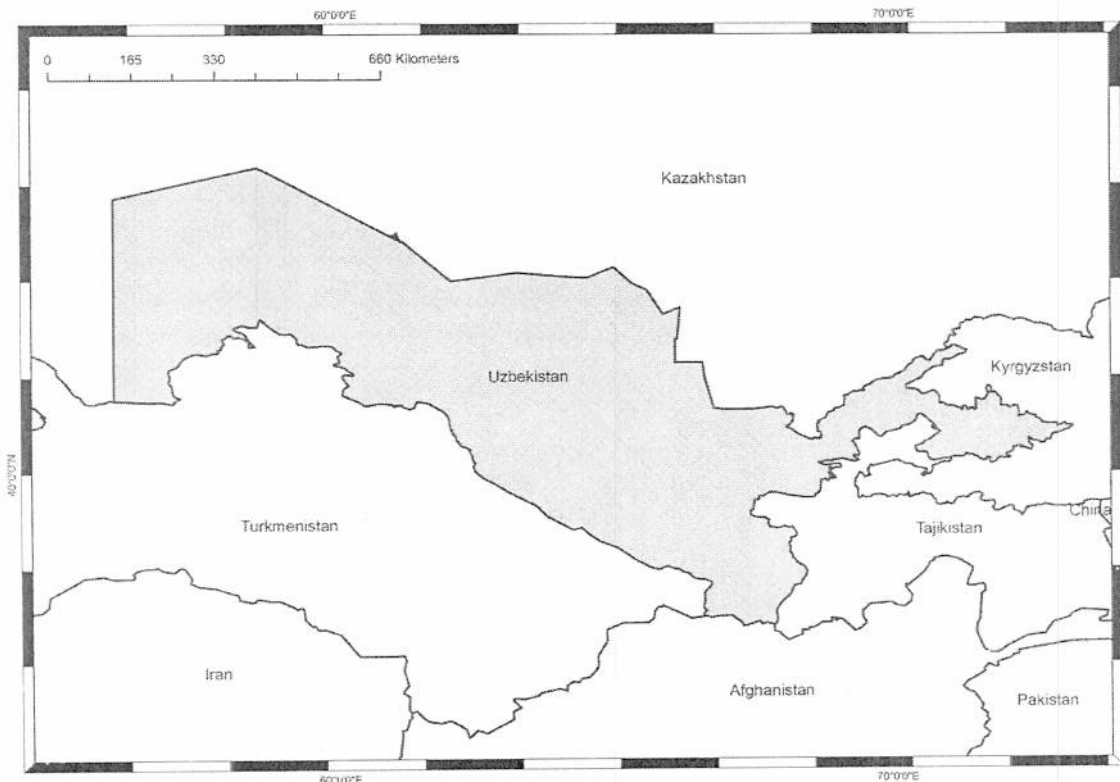
### 1.2 Threats to biodiversity outside protected areas

#### Oil-and-gas mining

5. The primary threat facing the Uzbek steppes is oil-and-gas exploration that is increasingly being targeted there. Uzbekistan is ranked as the world's 8th largest gas mining country. The oil-and-gas sector is officially recognized as one of the key drivers of the country's economic development. There are 194 discovered oil-and-gas reserves, with a gross economic potential of US\$ 1 trillion. 88 of these are under exploitation, and the others are being surveyed or prepared for exploitation. Russian companies are galvanizing their presence in the oil-and-gas sector of Uzbekistan. For example, Lukoil has a license for 5 investment projects, with plans to increase its annual gas mining in Uzbekistan to 10 million m<sup>3</sup> by 2010; and Gazprom has a license for 7 projects, with plans to increase its annual gas extraction to 50 million m<sup>3</sup> by 2010.

<sup>1</sup> Republic of Uzbekistan, Biodiversity Conservation: National Strategy and Action Plan, Tashkent, 1998





**Figure 1 Uzbekistan and neighboring countries**

6. Further, the country plans to increase investments in identifying new reserves. Annual exploratory drilling, (currently 10,000 meters of drilled distance per year), is predicted to increase to 220,000 meters by 2012. In the next few years, investments in geological surveys related to oil-and-gas are predicted to reach \$100 million annually. Recently, Uzbekneftegaz (Uzbek National Oil-and-Gas Holding Company) along with the major Russian companies Lukoil and Gazprom has agreed on a plan for exploration of vast natural gas deposits on the steppes of the Plateau Ustyurt (the Plateau spans approximately 2 million ha). In May 2006, a group of investors signed an agreement in Tashkent to launch a large scale oil-and-gas exploration project called "The Aral Project" located in the Vozrozhdenie Peninsula (Aral Sea). This project will be jointly implemented by Uzbek, Russian, Chinese, South Korean and Malaysian investors. Gazprom has agreed to invest 1.5 billion USD whereas Lukoil will invest 1 billion USD in this exploration project.
7. The oil-and-gas developments are threatening the globally significant steppe biodiversity through direct destruction and fragmentation. As an example, the reconstruction of the "Central Asia-Center" and "Bukhara-Urals" gas pipelines envisaged by the oil-and-gas investment plans of the oil companies presupposes ground digging and active use of tall barriers. In 1960-1970 deep ground digging for gas-pipelines was unanimously found by scientists to be one of the key reasons for direct mass loss of Saigas during migration, while densely placed tall barriers disrupt migration. Secondly, current practices employed in laying gas and oil pipelines and developing access roads result in the fragmentation of habitat. Thirdly, exploratory drilling is currently proposed to take place in several breeding areas for Saiga, and/or nesting and feeding sites of threatened birds-of-prey, forcing them to abandon their current habitats and move to less suitable areas. Fourthly, the currently planned placement and size of oil-and-gas fields will destroy much of the unique steppe vegetation and bring about changes in soil structure.

### 1.3. *Legal and institutional framework for mainstreaming biodiversity into the oil-and-gas sector*

#### Legislation

8. Uzbekistan has an extensive body of laws for addressing environmental and natural resource management issues. The Forestry Code was adopted on June 26, 1978. It regulates the use and restoration of forestry resources and lays out juridical responsibilities related to the use of forestry resources. The Code is currently under review. The Law on

Protection and Use of Fauna was adopted in 1982. It includes legal acts aimed at protection, sustainable use, and reproduction of wildlife. The Law on Land was adopted on June 20, 1990, with changes and additions made by the Supreme Council of the Republic of Uzbekistan on November 20, 1991, on May 6 1993, and on September 23, 1994. It regulates land-related arrangements with the purpose of providing for rational use and protection of land, maintaining the fertility of soils, saving and improving the natural environment, and for equivalent development of all forms of management. The Law of the Republic of Uzbekistan on Protection of Nature was adopted on December 9, 1992. This Law lays down legal, economic and organizational principles for saving the natural environment, rational use of natural resources, protection of ecological systems, natural complexes and separate objects. It guarantees the rights of the citizens to live in a favorable environment. It determines powers of official bodies and departments in the field of nature protection. The Law on Specially Protected Natural Territories was adopted on May 7 1993. It determines legal, organizational and economic principles for handling of specially protected natural territories. The Law of the Republic of Uzbekistan on Water and Water Use was authorized on May 6, 1993. It regulates water related aspects, rational use of waters for needs of the population and national economy. The law regulates protection of water from contamination and exhaustion, prevention and liquidation of harmful effect of water, improvement of water objects, and also protection of the rights of firms and establishments, organizations, private farms and citizens in the field of water management. The Law on Subsurface Resources regulates the management, protection and use of such resources and was adopted on September 22, 1994. The Law on Protection of Atmospheric Air was adopted on December 1996.

9. Further, the Law of the Republic of Uzbekistan "On Environmental Examination" (25 May 2000) has established a system of environmental examination. The process of environmental examination consists of internal approval by the State Committee; inter-ministerial approval through their comments/ inputs; approval by the Cabinet of Ministers of Uzbekistan; and, finally, registration by the Ministry of Justice. An Environmental Impact Assessment (EIA) is mandatory for industrial projects and it is one of the key stages for conducting the state environmental examination. It consists of preparing a package of documents on the impact of projects. The content of the EIA is set forth in Article 15 of the Law "On Environmental Examination". However, a procedure under this Law namely, the "Provision on Environmental Examination in the Republic of Uzbekistan" (approved by Resolution No. 491 of the Cabinet of Ministers as of 31 December 2001) fails to fully cover EIA requirements, particularly in terms of biological resources. In addition, there is no appropriate registration of environmental consequences of their programs and policies that may cause significant adverse impacts on biological diversity.
10. The assessment of environmental impact is always based on environmental quality standards (MPC -- Maximum Permissible Concentration -- in the case of atmospheric air or water) and standards of negative environmental impact (MPE -- Maximum Permissible Emission, MPD -- Maximum Permissible Discharge). As for biological resources, standardization is only aimed at regulating the population during their utilization. There is no accuracy in the above mentioned legal instruments on how to identify losses of biological resources upon negative impact on their habitat. Certainly, the legislation determines mechanisms during infliction of harm on flora and fauna articles (charge rate based method of compensation of harm) as well as losses of forestry production at the moment of withdrawal of land from the forest fund for other purposes (Resolution No. 282 of the Cabinet of Ministers of the Republic of Uzbekistan as of 15 July 1992 "On Approving the Provision on the Procedure for Identification of Sizes and Compensation of Losses of Agricultural and Forestry Production due to Withdrawal of Land for Purposes Unrelated to Agriculture and Forestry in the Republic of Uzbekistan"). However, these may not be applied during EIA. Consequently, there is a need to consider developing standards and methods of determining harmful impact of the activity related to indirect withdrawal of flora and fauna article. According to part two of Article 14 of the Law of the Republic of Uzbekistan "On Nature Protection", the maximum allowable standards of environmental load is determined during the establishment of territorial production complexes, development of industry, agriculture, construction and reconstruction of cities, other residential areas. However, such standards have not been put into practice.

## 2. PROJECT STRATEGY

11. The Government of Uzbekistan is requesting GEF support to remove these barriers and put in place an enabling environment for achieving progressive mainstreaming of biodiversity conservation considerations in oil-and-gas sector operations. Based on assessments conducted through PPG resources and consultations with stakeholders, the project strategy will pursue actions at the systemic level and will demonstrate mainstreaming actions in an ongoing oil-and-gas site (Shakhpahty, Ustyurt Plateau) and a proposed one on the Ustyurt Plateau. Activities at the systemic level will help ensure that the enabling environment is in place for progressive mainstreaming actions even after project-end. Actions at the pilot site level will enable stakeholders to "ground truth" the new legal and policy frameworks, and test and develop new tools for mainstreaming.

## 2.1 Country Eligibility

12. The Government of Uzbekistan signed the UN Convention on Biological Diversity (CBD) on October 17, 1995 and is also a signatory to the UN Convention on the Conservation of Migratory Species (CMS) Bonn. It has met various reporting requirements under the CBD. It is eligible to receive funding from the GEF. It is also eligible to receive development assistance from the World Bank and UNDP.

## 2.2 Country Driven-ness

13. The principal goal of Uzbekistan's National Biodiversity Strategy and Action Plan (NBSAP) is "through conservation and sustainable use, to protect and maintain Uzbekistan's biodiversity as a critical component for its sustainable development, for the benefit of all people of Uzbekistan, both present and future". The plan recognizes the necessity to mainstream biodiversity concerns into national sectoral development plans, to create models of biodiversity sustainable use within the context of protected areas as well as development of mechanisms for sustainable use of biodiversity elsewhere in Uzbekistan. Apart from the NBSAP another initiative that will be guiding the activities of the present project is the signed Memorandum of Understanding between the State Nature Protection Committee and the oil-and-gas companies regarding environmental awareness raising, conservation, restoration and sustainable use of Saiga population. The proposed project will become an important element in the country's initiatives on conservation of the Saiga population in the steppe ecosystems, as part of the CMS agreement signed with the Saiga antelope range states (Russia, Uzbekistan, Kazakhstan and Turkmenistan).

## 2.3 Project Goal, Objective, Outcomes and Outputs

14. The long-term goal to which the project will contribute is that all ongoing and future oil-and-gas operations in Uzbekistan minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The objective of the proposed project is to mainstream biodiversity conservation into Uzbekistan's oil-and-gas policies and operations by demonstrating this in the Ustyurt Plateau. The project proposes the following components, outputs and activities to realize this objective.

## 2.4 Gender aspects of the project

15. The project will pay significant attention to gender aspects by involving women in project activities as much as possible. On average, the project will aim at achieving at least 25% of participants of training sessions to be females. This is particularly challenging because traditionally the sphere of oil and gas industry belonged to men. The project will contribute to the recognition of the fact that women together with children are more than other groups exposed to direct impact of biodiversity loss and thus, the ecosystem productivity loss.

Planned gender mainstreaming tools and activities:

- Strive to ensure that at least 25% of participants of trainings are women by actively engaging relevant agencies to nominate women for trainings;
- Any proposed measures on better managing risks of biodiversity loss should be gender-sensitive;
- Concentrate awareness raising about negative impacts of biodiversity loss on women.

## Component I: Enabling policy, legislative, and institutional environment for mainstreaming biodiversity conservation considerations in the oil-and-gas sector

16. This component will be national in scope and will address systemic changes needed for achieving biodiversity mainstreaming.

Output (i) *Law on Subsurface Resources, Law on Territorial Planning (aspects related to location of industrial activity), and Laws on Protection and Use of Flora and Fauna amended with regulations on (a) the "avoid-reduce-remedy-offset" principles in extractive industries, including development of norms and methodology for determining indirect negative impacts on flora and fauna<sup>2</sup>, and (b) a mechanism for independent assessment of biodiversity (ecological audit and public ecological examination) during fuel extraction and transportation.*

17. A review of the legal framework during the PPG phase has identified several weaknesses and gaps in current legislation that regulates oil-and-gas operations in Uzbekistan. Based on this assessment, the following laws will need revision to incorporate biodiversity conservation and monitoring as an explicit requirement.

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<sup>2</sup> Under current legislation, there are some compensatory fees for direct impacts, but there is no regulation for indirect impacts.

- Law of the Republic of Uzbekistan “On Environmental Protection”
- Law of the Republic of Uzbekistan “On Environmental Examination”
- Law of the Republic of Uzbekistan “On Specially Protected Natural Territories”
- Law of the Republic of Uzbekistan “On the Protection and Use of Flora”
- Law of the Republic of Uzbekistan “On the Protection and Use of Fauna”
- Law of the Republic of Uzbekistan “On State Cadastres”
- Land Code of the Republic of Uzbekistan

18. Proposed amendments will ensure that relevant laws put emphasis on gathering baseline information on biodiversity; preliminary assessment of primary and secondary impacts on biodiversity; permitted limits of exploitation, emissions and discharges in the exploitation sites; detailed rationale and criteria for setting up protected areas, and principles for their management and monitoring. Amendments to the Land Code will include specifications on avoidance of biodiversity-rich areas for exploitation. “No go” areas will be clearly defined, based on international and national notifications and the biodiversity importance of the areas (for example, criteria for “no go” areas developed by IUCN and national criteria developed for establishment of protected areas). Laws that regulate activities in extractive and other industrial projects will be amended to make explicit reference to the avoid-reduce-remedy-offset principle and to require a thorough review of impacts on biodiversity. A document on Environmental Audit will be prepared as an annexure to the revised legislation “On Environmental Examination”. The Annexure on Environmental Audit will address the need for independent assessment/ verification of the performance of oil-and-gas projects in the area of environmental and biodiversity conservation. Finally, an exclusive framework will be developed for regulating Biodiversity Offsets.
19. The SCNP in collaboration with the legal, biodiversity and energy experts of the project and the main stakeholders will prepare recommendations for amendments to the above mentioned legislation. The team will also be tasked with reviewing best practices on legal frameworks for mainstreaming biodiversity conservation considerations into the oil-and-gas sector from the region and around the world. In addition, once activities are well underway in the project’s pilot area, experiences from the pilot will be used to inform the amendments to the legal framework. The analytical review will be followed by a consultative dialogue involving inputs from government, non-government, companies and research institutions in order to facilitate legal reform. The amendments will be forwarded for further adjustment to appropriate Ministries/ Institutions. Upon receiving positive reports from each interested stakeholder, the amendments will be proposed to the Cabinet of Ministers for further approval. Resources will be dedicated to the promotion and dissemination of information related to the new legal framework to a wide audience, in order to facilitate the process of approval of the legal amendments by the Council of Ministers.

*Output (ii) National map of areas where: (a) oil and gas sector development is to be avoided altogether; (b) oil and gas extraction projects are allowed, but should have mitigation measures to reduce biodiversity impacts; and (c) restoration or offset scheme is needed*

20. Currently, there is no comprehensive mapping of ecologically sensitive areas in Uzbekistan. Such a mapping exercise will be of great value to oil-and-gas companies in their process of site selection for exploration. This information will bring more certainty and predictability for companies by making clear which areas are to be avoided due to their high biodiversity importance, thus avoiding wasted effort and resources in negotiating exploration rights in such areas. The map will be integrated as an Annex to the Programme of Development of the Oil-and-Gas Industry (2007-2012), and its future extensions.
21. The maps will be prepared by a team of local biodiversity experts, in collaboration with an international expert on conservation of biodiversity and ecosystem services. The team will draw on best practices in the development of such maps from the region and globally. Inputs from national and regional research institutions that specialize in such work will also be invited. Readily usable maps will be produced covering the following information:
  - Biodiversity of the proposed project region (Ustyurt Plateau) – species distributions and their crucial habitat; representative ecosystems such as wetlands, riparian marshes, and other areas of prime biodiversity importance
  - Migration routes of flagship species such as the Saiga
  - Topographic maps along with environmental variables
  - Existing and proposed protected areas
  - Existing and proposed infrastructure such as railways, roads, settlements
  - Demarcation of areas of global biodiversity importance that should be avoided for exploration, areas where extraction



may be allowed but with mitigation measures, and areas where restoration or offset schemes may be required

*Output (iii) Amendments to State Ecological Examination and EIA screening instruments to require a thorough check of biodiversity impacts of proposed oil-and-gas projects*

22. Although Uzbekistan has in place a State Ecological Examination process and EIA screening instruments, these do not address biodiversity conservation concerns. The current stipulations of an EIA document are provided in Annex 5. Through this output, the project will integrate biodiversity conservation considerations into the State Ecological Examination process and into the seven key stages of the EIA process which are Identification of alternatives, Screening, Scoping, Baseline establishment, Evaluation (impact analysis), Development of mitigation options and implementation, and Monitoring and adaptation. The following biodiversity-related questions will be sought to be answered by the EIA instrument:

- Does the intended activity affect the physical environment in such a manner or cause such biological losses that it influences the chance of extinction of cultivars, varieties, populations of species, or the chance of loss of habitats or ecosystems?
- Does the intended activity surpass the maximal sustainable yield, the carrying capacity of a habitat/ ecosystem or the maximum and minimum allowable disturbance level of a resource, population or ecosystem?
- Does the intended activity result in changes to the access to and rights over biological resources?

23. A number of key points will be kept in mind while suggesting amendments to these instruments. Firstly, an ecosystem approach (as defined under the CBD) will be suggested as the appropriate framework for the assessment of planned action and policies. In accordance with this approach, the proper temporal and spatial scales of the problems will be determined, as well as the functions of biodiversity and their tangible and intangible values for humans that could be affected by the proposed project or policy, the type of adaptive mitigation measures and the need for the participation of stakeholders in decision-making. The importance of focusing on key ecological processes and functions will be emphasized, which implies that there is a need to consider the full range of ecosystems and habitats involved, as the ecological processes and functions may vary depending on the ecosystems and habitats affected.

24. Secondly, in addition to primary impacts, secondary and/or cumulative impacts will also have to be fully accounted for. Thirdly, the interaction between the environmental and social spheres will be analyzed and appropriately responded to. Fourthly, the importance of differentiating between different levels of impact (i.e., ecosystem, species and genetic levels) will be stressed, so that preventative and mitigation actions can be planned appropriately for the different levels.

*Output (iv) Capacities of staff from key state and private institutions engaged in oil-and-gas investments are developed*

25. In order to facilitate implementation of the systemic changes proposed through the above outputs, it will be critical to develop the capacities of staff from key stakeholder institutions. During PPG consultations the following groups have been identified as needing to develop their capacities in mainstreaming biodiversity conservation considerations in the oil-and-gas sector: officers from the Uzbek National Oil-and-Gas National Holding Company (3 officers), Inspector from the State Nature Protection Committee (25 inspectors), and Environmental Officers of leading oil-and-gas investor companies (7 environmental officers).

26. Several capacity building workshops will be organized under this output. The substantive focus areas include: (i) principles of avoidance, mitigation, and remediation of biodiversity, (ii) EIA planning and enforcement, (iii) investment options in biodiversity conservation by oil-and-gas companies, (iv) application of biodiversity offsets, (v) monitoring of biodiversity at oil-and-gas extraction and transportation sites. Efforts will also be made to systematize the training modules and assign institutional responsibility for continuing the training effort beyond the project's lifetime (for instance, the modules can be included in existing training program geared to advance education of national specialists).

**Component II: Demonstrating biodiversity mainstreaming technologies in oil-and-gas operations on the Ustyurt Plateau**

27. This component will focus on mainstreaming biodiversity conservation considerations in the selected demonstration area of the project.

*Output (i) Guidebook on biodiversity conservation approaches in the oil-and-gas sector in Uzbek specific ecosystems (steppe and deserts)*

28. At present, there is no information or guidebook for the oil-and-gas sector and associated stakeholders in Uzbekistan on biodiversity conservation. Similar international products do exist, such as those produced by the Conservation International Energy and Biodiversity Initiative, and these can be adapted to the national and local context. Therefore, this output will focus on preparing such a guidebook by drawing on international experience (through the EBI) and regional experience (through cooperation with a similar UNDP/GEF project being developed in Russia). The overall purpose of the guidebook will be to ensure that oil-and-gas companies view biodiversity conservation as a vital component of sustainable development. It will aim to familiarize the companies not only with important international conventions (such as CBD and CMS) but also national legislation, as well as the related implications for the oil-and-gas industry.
29. Effective and transparent communication and information-sharing between energy companies and conservation organizations is another prerequisite for mainstreaming biodiversity issues in the oil-and-gas sector. Therefore, the Guidebook will lay out important guidelines for such cooperation. An emphasis on early consideration of biodiversity impacts during impact assessment, identifying indicators of change, and evaluating opportunities that benefit biodiversity conservation, coupled with early engagement of biodiversity experts in the process, will be explicitly proposed in the Guidebook.
30. Further, the Guidebook will emphasize the need to recognize the integrity of protected areas. Companies should understand that while government may permit oil-and-gas development in certain protected areas this still presents significant risks to biodiversity<sup>3</sup>. When operating in such areas, it is critical that companies adopt the avoid-reduce-mitigate-offset strategy. The Guidebook will also highlight that areas of high biodiversity value exist both within and outside protected areas, and the latter areas should be treated in a similar manner. When considering whether to operate in such areas, companies should evaluate alternate locations, routes and technical solutions. If they do choose to operate in areas of high biodiversity value, companies must employ a comprehensive set of management actions, including mitigation, compensatory measures and investments in opportunities to benefit biodiversity conservation. The companies should also seek opportunities to contribute voluntarily and positively to biodiversity conservation. It is anticipated that the guidebook will contain the following sections:

- Introduction: What is biodiversity; Benefits of conserving biodiversity; International Conventions that address conservation of biodiversity; Biodiversity and sustainable development
- Introduction to oil-and-gas issues: National legislation, regulations and acts related to biodiversity conservation, oil-and-gas project lifecycle and demand in Uzbekistan
- Challenges for biodiversity conservation in areas valuable for both biodiversity conservation and economic development through oil-and-gas exploration in Uzbekistan
- Address the role of various stakeholders in oil-and-gas projects of Uzbekistan
- List various impacts of oil-and-gas extraction on biodiversity in Uzbekistan and mitigation options for these impacts
- How Uzbek oil-and-gas companies can integrate biodiversity conservation in existing Environmental Management Systems and EIA process.
- A framework for considering biodiversity in site selection process
- Biodiversity indicators to understand impact on biodiversity, predict potential impacts, improve operational performance, minimize future impacts and report to stakeholders
- Importance of stakeholder engagement
- Guidance in formulating a sector specific biodiversity action plan

31. Following the completion of the guidebook, it will be sent out for comments to relevant stakeholders for suggestions on improvement. These tools will be prepared keeping in mind the Uzbek-specific situation of the legal system, achievement of desired results, as well as convenience of the industry in using them.

*Output (ii) Biodiversity risk mitigation measures demonstrated at one active oil-and-gas extraction site in Shakhpahty (Ustyurt Plateau)*

32. Under this output, an implementation plan for mitigation measures at the Shakhpahty site (Ustyurt Plateau) will be developed and finalized. In developing the implementation plan and defining the mitigation measures, staff from the oil-and-gas operation will be provided guidance on:

<sup>3</sup> In Uzbekistan there is one case of oil-and-gas development being permitted on a territory that overlaps with the Saigachy Zakaznik. However, for strict protected areas, permits are not issued and there are no exceptions.

- Developing a Biodiversity Action Plan
  - How to make links with existing tools such as EIA and EMS
  - Requirements of the Convention on Biological Diversity
  - Risk assessment and management
  - Ecosystem Services and how these are affected by oil-and-gas operations
  - Biodiversity offsets and how these can help mitigate unavoidable adverse impacts on biodiversity
  - Implementing the “avoid-reduce-remedy-offset” principle
33. Finalization of the implementation plan will be followed by in-field training to trigger implementation of the proposed measures. Technical assistance will be continuously provided for actual implementation of risk mitigation measures. Further, the implementation plan will have an explicit protocol for monitoring the state of biodiversity in the entire range that is affected by the extraction site, and technical assistance will be provided to implement the monitoring protocol. Specific biodiversity management and mitigation measures (for both primary and secondary impacts) that are to be introduced in the Shakhpahty oil-and-gas extraction site include:
- Seismic activity
    - Schedule operations during least sensitive periods, avoiding migration, nesting and mating seasons.
    - Shot-hole methods should be considered in the place of vibroseis machinery where vegetation cover is required and where access is a concern. Ensure that the charge is small enough and deep enough to avoid cratering. Consider aquifer protection and suitable plugging. Use offsets to avoid specific sensitivities. Ensure that misfired charges are disabled and removed. Mobilize clean-up crews after operations.
    - If using vibroseis machinery on soft ground, avoid excessive compaction from vehicles and base-plate.
  - Exploration and appraisal drilling
    - Use existing infrastructure to the greatest extent possible to avoid or reduce road construction and clearing.
    - In clearing vegetation, use hand-cutting techniques to the extent possible, thereby avoiding the use of heavy machinery.
    - Protect watercourses from contamination and siltation.
    - Avoid clearing steep slopes and creating well-defined paths, and when unavoidable, use biodegradable material (jute, straw, etc.) and native species to stabilize slopes.
    - Site to minimize impacts on water resources, conservation interests, settlement, agriculture, sites of historical and archaeological interest and landscapes. Consider using sites that are already cleared or disturbed, are of low ecological value or that may be easily restored (e.g., agricultural land).
  - Field development
    - Consult with local authorities and communities before sites are selected and cleared.
    - Consider construction and drilling activities and impacts separately from operational activities. Construction and drilling will use intensive methods and will be longer term compared to exploration construction and drilling requirements.
    - Sites should only be cleared where long-term disturbances and impacts on the local environment and infrastructure can be avoided.
    - Locate all facilities at single site to minimize the “footprint.”
    - Maximize use of satellite/cluster drilling sites, horizontal wells and extended-reach drilling in sensitive areas.
    - Flowlines and pipeline routing will require consideration in relation to disturbances and effects (bury, surface). Avoid sensitive habitats and build along existing access routes, using spatial planning exercises with relevant stakeholders to design route.
    - Planning for site selection and preparation should include consideration of eventual decommissioning and restoration.
  - Production
    - All practices identified for exploration should be applied to produced water during production.
    - Install produced water treatment facilities, particularly if local infrastructure cannot support requirements.
    - Re-inject any untreated produced water down hole.
    - Evaluate beneficial reuse of treated produced water, especially in areas of water stress.
  - Transmission
    - All practices identified for exploration and production should be applied here too.
  - Decommissioning
    - Early in project lifecycle, develop full decommissioning, restoration & aftercare plan in consultation with local authorities.

- Break up compacted surfaces and replace topsoil, brash, seed source, leaf litter, etc.
- Remove all non-native materials.
- Stabilize all slopes.
- If necessary, re-vegetate with native species to avoid erosion.
- Review success of restoration at later date and take remediation measures if site has not been returned to intended condition.

*Output (iii) Avoidance and mitigation technologies integrated in the design of the one prospective major oil-and-gas development on the Ustyurt Steppe Plateau*

34. At present, the mitigation hierarchy is a new concept in the oil-and-gas sector of Uzbekistan. As the project progresses through its step-wise approach from strengthening the legislation, followed by establishing the baseline information on biodiversity, and then developing indicators and biodiversity tools that can be directly used by the industry, the integration of biodiversity considerations into the oil-and-gas sector will be progressively achieved. Key tools in this process are modifications to the EIA and EMS instruments (Output I.iii) and the biodiversity guidebook (Output II.i), which will enable companies to systematically deal with the process of mainstreaming biodiversity. The technologies mentioned in Output II.ii for designing mitigation actions in the ongoing Shakhpahty site will be equally relevant for influencing change in proposed oil-and-gas developments on the Ustyurt Plateau.
35. For future/ proposed oil-and-gas projects the emphasis will primarily be on avoidance of areas high in biodiversity, migratory corridors, and wetlands. Further, activities to reduce, remedy, and/ or offset unavoidable biodiversity impacts will be planned in advance of the commencement of operations (as opposed to the ongoing project in Output II.ii where the focus is on adopting an EMS and monitoring performance and impacts of ongoing processes through indicators). Technologies for mitigating biodiversity impacts will be designed and agreed with the oil-and-gas consortium. In Uzbek steppe conditions this will imply adapting techniques for ground digging for pipes to ensure safety for migratory animals, narrowing the design width of the strip where upper vegetation (e.g. grassland or saksaul shrubs) is removed for the pipeline and extraction site, techniques for drill waste handling, using single pipeline by multiple companies to avoid new pipeline constructions, and such. Technologies will be integrated into the overall oil-and-gas project documentation, and technical assistance will be provided for triggering the implementation of the technologies.
36. A consultative approach will be taken to influencing the design of the prospective oil-and-gas development on the Ustyurt Plateau. During the proposal development stage, a number of meetings were held between the project stakeholders (representatives from Gazprom, Lukoil, Aral Sea, Petronas Carigali (Urga), KNOC, KOGAS, State Committee on Nature Protection/ Statebiocontrol, Ministry of Economy/ Uztyazhneftegaschimproject, Uzbekneftegaz/ UzLITI Project Institute, Institute of Zoology, and NGOs –UzSPB, Armon) that have led to the formation of a strong cross-sectoral dialog. All stakeholders have exhibited strong support for the project. The cross-sectoral platform will ensure that ecological expertise is engaged in the design of investment projects. The capacity building programme (Output I.iv), aimed at training personnel from all the stakeholder groups, will develop the capacity of stakeholder representatives in the concepts and implementation of the mitigation hierarchy. This will strengthen the cross-sectoral platform and enable it to fulfill its role as a facilitator.

*Output (iv) Biodiversity offset scheme to compensate for damages from existing and proposed oil-and-gas operations in the Ustyurt Plateau is operationalized*

37. Biodiversity offsets are conservation activities intended to compensate for the residual, unavoidable harm to biodiversity caused by development projects. Biodiversity offsets are widely seen as a useful tool for managing the adverse impacts of development activities on biodiversity.<sup>4</sup> They form a critical part of the mitigation hierarchy being advocated by this project (see Figure on mitigation hierarchy above). Through this output, the project will build on the discussions during the project preparation stage with government stakeholders and oil-and-gas companies to operationalize an offset scheme in the Ustyurt Plateau. The international expert on biodiversity conservation in the energy sector along with the international expert on biodiversity monitoring and conservation will guide the process of development of the offset scheme. The scheme will be based on international experience and adapted to the national context and conditions. (Annex 1 elaborates on initial ideas related to the design of the offset; these ideas will be finalized during project implementation as information on unavoidable impacts is gathered and consensus is reached on offset activities.)

<sup>4</sup> ten Kate, K., Bishop, J., and Bayon, R. (2004). Biodiversity offsets: Views, experience, and the business case. IUCN, Gland, Switzerland and Cambridge, UK and Insight Investment, London, UK



38. In terms of the legal framework for offsets, Uzbekistan's national body of environmental laws does not explicitly address biodiversity offsets as a conservation tool. However, Uzbekistan is party to the Convention on Biological Diversity (CBD), and one of the main principles of the CBD is the "no net loss principle". According to this principle, any further decline in biodiversity should be considered negative or undesirable. The "no net loss principle" is similar in practice to the offset principle. Further, Output I.i of the project, which aims to strengthen the national legal framework, will propose legal measures for integrating biodiversity offsets into the legal system.
39. The project will define the roles of the key players in the offset scheme for the Ustyurt Plateau namely, local government, oil-and-gas consortia, NGOs, and communities. Roles and responsibilities will be formalized as legal documents for the creation of the offset scheme that are signed and endorsed by all partners.
40. Since the "avoid-reduce-remedy-offset" principle does not currently apply to the existing and proposed oil and gas projects, there has been no comprehensive assessment of unavoidable impacts. This output will, therefore, develop a comprehensive assessment of unavoidable damages to biodiversity from ongoing and proposed oil-and-gas operations on the Ustyurt Plateau. Once the exact nature of the proposed projects is clear, and impacts of existing oil-and-gas projects in the region are quantified, it will enable the calculation of residual/ unavoidable impacts that need to be offset.
41. A conservation zone with ecological values equal to or exceeding those of the unavoidable net loss will then be identified. The site selection process will be based on robust scientific techniques such as the Marxan site selection algorithm. Site selection will also take into account interests of and potential conflicts with local land users. Initial ideas on the offset include strengthening the management of the Saigachy Zakaznik<sup>5</sup> (>600,000 ha) and increasing its area (the proposal is to double the area). The ongoing UNDP/GEF project on strengthening the protected areas of Uzbekistan will identify the boundaries of the Saigachy reserve on the plateau, and this exercise will provide an important foundation for identification of the offset area and activities. The Biodiversity Mapping (under Output I.ii) will provide critical inputs to this exercise, insofar as it will identify species distributions and ranges in the area proposed for oil-and-gas exploration. The Guidebook (under Output II.i) will also serve as a useful tool.
42. The existing threats to the biodiversity outside protected areas that have already been mentioned in the earlier sections will need to be kept in mind while designing the nature of the offset. The nature of the offset programme (i.e. the type of activities) will be determined based on many factors such as national and regional conservation goals, type of activity the company is interested in and the loss of biodiversity that is caused due to unavoidable impact of the activity. Offset activities will be carried out in collaboration with initiatives by Fauna and Flora International (FFI) in the Ustyurt Plateau. FFI is working with local communities engaged in poaching due to poverty and unemployment, to design a series of alternative livelihoods. Offset activities could include, but are not limited to:
- Strengthening ineffectively managed protected areas such as the Saigachy reserve.
  - Safeguarding unprotected areas, for instance, by entering into agreements with local communities as custodians of biodiversity.
  - Addressing other underlying causes of biodiversity loss by working with communities to address their livelihood needs through alternative sustainable livelihoods, such that unsustainable activities like poaching are stopped.
  - Establishing corridors by identifying and securing the conservation management of land that provides biological corridors between protected areas.
  - Establishing buffer zones, for instance, around an existing reserve that lacks a buffer zone.
  - Securing migration paths for saigas and seasonal ranges of migratory birds.
43. A conservation action plan will be developed for the identified location in consultation with all the stakeholders, especially ecologists and biodiversity experts. It will be validated by ecologists and put under implementation. During the project preparation phase, oil-and-gas companies have been familiarized with the concept of mainstreaming biodiversity into their sector. Further, international and local experts on EIA, EMS and mainstreaming biodiversity in the energy sector will lead capacity building workshops targeted to staff from the main stakeholder groups (under Output

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<sup>5</sup> The Saigachy reserve is one of the key sites for biodiversity conservation, as it contains habitat for the critically endangered saiga antelope and other representative species of the Ustyurt Plateau. The Saiga is a flagship species and is the dominant herbivore that drives ecosystem dynamics. Saigachy was founded 10 years ago. Re-registration of the Zakaznik needs to be completed this year (2010). Also, borders of the PA should be changed according to the proposal submitted to the Cabinet of Ministers of the Karakalpakstan.

I.iv). These workshops will be useful in building foundational capacities for implementation of the conservation plan. In addition, targeted technical assistance will be made available for facilitating implementation of the conservation plan. Since indicators are essential for monitoring impacts, progress towards mitigation goals and company performance, identification and self-monitoring of indicators will be embedded in the conservation plan.

44. Finally, a Memorandum of Understanding will be signed between the government and the industry formalizing its 5 year financial commitment towards the scheme. Legal documents will be prepared for the offset area (expanded Saigachy reserve area) to be officially designated as a protected area by the Government. A management unit for the site will be established and equipped. Rangers will be capacitated to take control of poaching. A long term management plan and business plan will be in place with a 5-year budget ensured. Initial support for these reserve establishment and management activities will come from the GEF and FFI (the latter has a project titled "Sustainable Conservation Approaches in Priority Ecosystems" in Uzbekistan and Kazakhstan). Over the medium to long-term, once the size of the unavoidable damage requiring a compensatory offset is clear, and a proper monitoring system for biodiversity is in place for the project region, it is expected that offset costs will be shared with the oil-and-gas industry on a 20/80 basis.

*Output (v) Results of mainstreaming in demonstration areas monitored on a periodic basis and verified by independent subcontractors*

45. For each site (Shakhpahty field and an additional one – both on the Ustyurt Plateau), a plan will be developed for regular monitoring of the state of biodiversity by the State Nature Protection Committee and Institutes of Academy of Sciences. Structures of the State Committee can undertake monitoring of site work independently, and the Institute of Zoology or Biology of the Academy of Science can screen conditions of biodiversity in parallel. Further, these institutes are already involved in monitoring activities and can provide cofinancing for activities that are of mutual interest. It is proposed that 10 monitoring areas be established to give a comprehensive picture of impact from oil-and-gas activities. The State Committee and other stakeholders will discuss and finalize the most effective strategy for monitoring.
46. Monitoring will involve identifying indicators that can reliably indicate the positive conservation impact of the biodiversity risk mitigation measures undertaken in the pilot area (Outputs II.ii, II.iii, and II.iv). A formalized system to measure and monitor the effects of the pilot oil-and-gas operations (existing – Shakhpahty, proposed – Kuanish) on biodiversity will allow the relevant companies (Gazprom, Lukoil, Petronas Carigali, CNPC, KNOG, Aral Sea), regulators and civil society to more easily understand, predict, minimize and prevent impacts; manage activities; and develop, monitor and refine management practices and eventually company policies. Establishing a system of indicators for reporting on impacts will not only allow the company to provide assurance and transparency about its performance, especially if incorporated into the EMS, but also improve its image with third party auditors.
47. A methodology developed by the Energy and Biodiversity Initiative will be followed to develop indicators ([www.theebdi.org](http://www.theebdi.org)). Indicators must be able to show the effects of change. Specifically, there can be species indicators, habitat indicators, management indicators and industrial process indicators. Indicators of change should be measured at the following levels, and they will vary at the different levels:
- Company level: Change can be defined as the way the company has taken the idea of biodiversity on board, and is seeking to reflect this in the way it operates. This would be reflected in the use of "corporate" or "management process" indicators. These indicate the way in which a company is approaching the issues at a high level, and the types of internal processes or mechanisms it is putting in place to achieve this cultural and operational change. Indicators at this level do not necessarily reveal direct biodiversity effects or outcomes.
  - Sub-company level: At this level, indicators are summaries of action, but do not necessarily indicate the biodiversity impact of these actions. They record change, but do not allow direct understanding of its meaning – such as physical land-take or footprints, or hectares of land rehabilitated or fragmentation rates.
  - Site-level: Typically, this may require the monitoring of two or more things: the factor/ parameter that is causing the impact and the appropriately chosen response for the biodiversity component in question. From a direct biodiversity perspective, aggregations of data – such as numbers of species or number of habitats lost or altered – are too indirect. The need here is to recognize impacts on particular locations and their distinct components (defined species or habitats). Measures of change may well be of biologically important issues, such as changes in survival or recruitment, but would be expressed as an indicator in terms of changes in a population of a species for a given site or block. In this case, the indicator would be for population change within given thresholds when action might then be expected. For habitats, issues of changes in quality or composition would be measured, with the indicator reported as loss or degradation when thresholds are exceeded. The site

level indicators will be helpful to the State Committee for Nature Protection as well as the Academy of Sciences to ensure that their goals of ensuring ecosystem conservation are met.

48. All indicators will be developed through consensus among all the stakeholders - the State Committee, Academy of Sciences, and the company. Periodic review of these indicators will be carried out along with the performance against objectives, targets and stakeholder expectations to measure how well the mitigation activities have been implemented. These review reports will then be revisited by the companies for the continuous improvement of their performance and compliance with the related legislations. This system will then be replicated in other areas.
49. This output will also support verification and audits by independent contractors/ third parties on a periodic basis to assess progress in terms of reaching biodiversity conservation goals. The verification process will help determine conservation outcomes that have resulted from modifying or changing technology, adopting improved operational practices, and integrating biodiversity conservation issues into management strategy.

*Output (vi) Documentation of lessons-learned, implementation of awareness-raising activities and replication strategy*

50. Under this output, brochures and awareness-raising materials that document progress and early successes with mainstreaming through the project's demonstration areas will be produced. Challenges and hurdles encountered during the implementation and training process will also be documented to provide feedback for future improvements. This will help ensure effective implementation and long term sustainability of the approach through continuous learning and adaptation.
51. Companies and other stakeholders will be able to access and disseminate the information on success stories, challenges, objectives and targets achieved, performance indexes, and other individual initiatives. Companies and other stakeholders will also be supported in linking their existing internet-based information portals to these materials so that they can showcase their efforts on biodiversity conservation. Brochures and handouts will also be disseminated among local people from the communities in the Ustyurt Plateau.
52. In addition, 3 workshops will be held, and specifically targeted to oil-and-gas industry representatives. However, all stakeholders involved in project implementation will be invited including national, and regional level government representatives, NGOs, scientific and academic institutes, and local community representatives. The objectives of the workshops will be to share lessons and experience from the demonstration areas on win-win solutions for mainstreaming biodiversity in the oil-and-gas sector, raise the profile and importance of the value of biodiversity, and highlight the issue of corporate social responsibility and how lessons from the demonstration area can help companies fulfill CSR.
53. Local and international consultants will develop and deliver the workshops and constituent modules. The content of these modules will range from a general idea of biodiversity, ethical issues of conserving biodiversity, benefits of conserving biodiversity for the oil-and-gas industry, and technical aspects of integrating biodiversity in industry operations. Workshops will be followed-up by customized sessions and/ or individual meetings with interested industry representatives.
54. Once the project's interventions on legal reform, institutional strengthening, capacity development, and on-the-ground demonstrations are well underway, attention will be given to how the project approach and lessons can be replicated to other existing and proposed oil-and-gas projects. Potential sites for replication will be identified and a strategy for engaging stakeholders for these new sites will be developed. By project-end, a funded plan for replication in these areas will be approved by the government and industry representatives. Personnel trained under this project will serve as key resource persons for the replication plan, and information materials and guidebooks will be made readily available.

#### *2.4 Incremental Cost Assessment*

##### *Baseline*

55. Oil-and-gas resources are regarded as one of the major economic drivers of Uzbekistan. Given development pressures, the sector has become a key area for development. The Ustyurt Plateau region has been identified as an important area for exploration. Without the project, the design of oil-and-gas investments in Uzbekistan will continue to develop apace without attention being given to biodiversity risks. The scale of investments in technologies that minimize impacts on biodiversity by the oil and gas companies will remain low. In another four to five years, the growing oil-and-gas sector in Uzbekistan is very likely to reduce the area of undisturbed ecosystems on the Ustyurt Plateau by a further 30-40%.



### 3. RESULTS AND RESOURCES FRAMEWORK

| Intended Outcome as stated in the Country Programme Results and Resource Framework: Increased availability of institutional products and services for the conservation and sustainable and equitable use of natural resources  |   |  |   |
|--|---|--|---|
| Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Indicators: : # of such products and services available; Baseline: limited at all levels; Target: significant increase in such products and services  |   |  |   |
| Applicable Key Result Area (from 2008-11 Strategic Plan): Key Result Area: Mainstreaming environment and energy concerns into national development plans and implementation systems. Provisional Corporate Outcome: Strengthened national capacities to mainstream environment and energy concerns into an implementing Agency. Other partners are Ministry of Economy, Uzbekneftegas, Flora and Fauna International (NGO), Partnership Strategy: State Committee for Nature Protection of the Republic of Uzbekistan is an implementing Agency. |   |  |   |
| Project title: Mainstreaming biodiversity into Uzbekistan's oil and gas policies and operations; ATLAS Award ID: 00060502; Project ID: 00076189  |   |  |   |
| INTENDED OUTPUT(S)   | OUTPUT TARGETS FOR YEARS  | INDICATIVE ACTIVITIES  | RESPONSIBLE PARTIES   |
| Biodiversity conservation into Uzbekistan's oil-and-gas policies and operations<br><b>MAINSTREAMED</b> by demonstrating this in the Ustyurt Plateau.   | <b>YEAR 1:</b><br><b>Target 1.1:</b> Amendments with regulations on the "avoid-remedy-offset" principles in extractive industries, including development of norms and methodology for determining indirect negative impacts on flora and fauna <b>prepared</b> for Laws "On Environmental Protection", "On Environmental Examination", "On Specially Protected Natural Territories", "On the Protection and Use of Flora", "On the Protection and Use of Fauna", "On State Cadastres", Land Code.<br><b>Target 2.1:</b> Amendments with regulations to require a thorough check of biodiversity impacts of proposed oil-and-gas projects <b>prepared</b> for State Ecological Examination.<br><b>Target 3.1:</b> National Map of areas, where: (a) oil and gas sector development is to be avoided altogether; (b) oil and gas extraction projects are allowed, but should have mitigation measures to reduce biodiversity impacts <b>prepared</b> .<br><b>Target 4.1:</b> Training materials on: (a) principles of avoidance, mitigation, and remediation of biodiversity, (b) EIA planning and enforcement, (c) investment options in biodiversity conservation by oil-and-gas companies, (d) application of biodiversity off-sets, (e) monitoring of biodiversity at oil-and-gas extraction and transportation <b>prepared</b> .<br><b>Target 5.1:</b> Implementation plan for each site <b>finalized</b> in order to demonstrate biodiversity risk mitigation measures.<br><b>Target 6.1:</b> Participatory cross-sectoral platform <b>developed</b> for engagement of ecological expertise in the design of investment projects in order to integrate avoidance and mitigation technologies.<br><b>Target 7.1:</b> Roles of players (local government, oil-and-gas consortia, NGOs(communities) in the biodiversity offset <b>defined</b> and legal papers <b>signed</b> by them for the creation of the offset.<br><b>Target 8.1:</b> For each site, a Monitoring plan <b>developed</b> for State Nature Protection Committee & Institutes of Academy of Sciences to regularly monitor the state of biodiversity. | <b>ACTIVITY RESULT 1:</b><br>Enabling policy, legislative, and institutional environment for mainstreaming in oil-and-gas sector;<br><b>Action 1.1:</b> Analyze the Laws "On Environmental Protection", "On Environmental Examination", "On Specially Protected Natural Territories", "On the Protection and Use of Flora", "On the Protection and Use of Fauna", "On State Cadastres", Land Code of the Republic of Uzbekistan;<br><b>Action 1.2:</b> Prepare amendments and methodological recommendations;<br><b>Action 1.3:</b> Receive stakeholders' and governmental approval for the proposed amendments;<br><b>Action 1.4:</b> Publish and widely circulate the amended Laws.<br><b>Action 2.1:</b> Analyze the State Ecological Examination process and Environmental Impact Assessment screening instruments;<br><b>Action 2.2:</b> Prepare amendments and methodological recommendations;<br><b>Action 2.3:</b> Receive stakeholders' and governmental approval for the proposed amendments;<br><b>Action 2.4:</b> Publish and widely circulate the amended State Ecological Examination process and Environmental Impact Assessment screening instruments.<br><b>Action 3.1:</b> Prepare a GIS-based national map of areas, where oil and gas sector development is (i) to be avoided altogether, and (ii) allowed with mitigation measures;<br><b>Action 3.2:</b> Prepare a GIS-based national map of areas, where (iii) where restoration or offset scheme is needed;<br><b>Action 3.3:</b> Receive stakeholders' and governmental | <b>ACTIVITY 1:</b><br>State Committee for Nature Protection of the Republic of Uzbekistan, Ministry of Economy, Uzbekneftegas, Flora and Fauna International (NGO), and private sector oil and gas companies (Lukoil, Petronas Carigali, Gazprom, Aral Sea, KNOG, KOGAS, CNPC). |
| <b>Baseline 1:</b> No amended Laws that facilitate the incorporation of biodiversity conservation requirements into planning and implementation of oil-and-gas operations (to be tracked in more detail through the SO 2 Tracking Tool).<br><b>Indicator 1:</b> Laws on Environmental Protection, "On Environmental Examination", "On Specially Protected Natural Territories", "On the Protection and Use of Flora", "On the Protection and Use of Fauna", "On State Cadastres", and Land Code amended.<br><b>Baseline 2:</b> No                |   |  | <b>TOTAL FOR ACTIVITY 1:</b><br>\$90,000<br><b>Year 1:</b> \$24,650 (GEF: \$24,650)<br><b>Year 2:</b> \$21,075 (GEF=\$21,075)<br><b>Year 3:</b> \$20,675 (GEF=\$20,675)<br><b>Year 4:</b> \$23,600 (GEF=\$23,600)   |



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| <p>amended state mandated ecological screening processes and instruments for monitoring biodiversity impacts of oil-and-gas projects.</p> <p><b>Indicator 2:</b> State mandated ecological screening processes and instruments amended.</p> <p><b>Baseline 3:</b> No mapping of (i) lands that should be off-limits to exploration and drilling, (ii) lands where extraction projects are allowed, but should have mitigation measures, and (iii) lands where a restoration or offset scheme is needed, is included into the Oil-and-gas Sector Development Plan for 2007-2012.</p> <p><b>Indicator 3:</b> Mapping of lands is in place.</p> <p><b>Baseline 4:</b> Zero (0) government and industry staff trained in principles and practical approaches for avoid-reduce-remedy-offset approaches to oil-and-gas operations.</p> <p><b>Indicator 4:</b> # of government and industry staff.</p> <p><b>Baseline 5:</b> Biodiversity risk mitigation measures are not implemented at active oil-and-gas extraction sites.</p> <p><b>Indicator 5:</b> At least</p> | <p>Protection and Use of Fauna", "On State Cadastres", Land Code.</p> <p><b>Target 2.2:</b> Amendments with regulations to require a thorough check of biodiversity impacts of proposed oil-and-gas projects <b>prepared</b> for Environmental Impact Assessment screening instruments.</p> <p><b>Target 3.2:</b> National Map of areas, where: (c) restoration or offset scheme is needed, <b>prepared</b>.</p> <p><b>Target 4.2:</b> At least 25 inspectors from State Committee for Nature Protection are able to use principles and practical approaches for avoid-reduce-remedy-offset approaches to oil-and-gas operations (at least 25% are women).</p> <p><b>Target 5.2:</b> In-the-field training to trigger the implementation of the newly developed measures <b>conducted</b> in order to demonstrate biodiversity risk mitigation measures.</p> <p><b>Target 6.2:</b> Biodiversity technologies <b>designed</b> and <b>agreed</b> with the oil-and-gas consortium, where avoidance and mitigation technologies integrated into the overall oil-and-gas project documentation.</p> <p><b>Target 7.2:</b> Conservation action plan at the identified location for biodiversity offset scheme <b>developed, implemented</b> and <b>validated</b> by ecologists.</p> <p><b>Target 8.2:</b> Monitoring plans for each site <b>discussed</b> and <b>agreed</b> with stakeholders and Government.</p> <p><b>YEAR 3:</b></p> <p><b>Target 1.3:</b> Amendments with regulations on (a) the "avoid-reduce-remedy-offset" principles in extractive industries, including development of norms and methodology for determining indirect negative impacts on flora and fauna, and (b) a mechanism for independent assessment of biodiversity (ecological audit and public ecological examination) during fuel extraction and transportation to Laws "On Environmental Protection", "On Environmental Examination", "On Specially Protected Natural Territories", "On the Protection and Use of Flora", "On the Protection and Use of Fauna", "On State Cadastres", and Land Code widely <b>discussed</b> and <b>agreed</b> with stakeholders.</p> <p><b>Target 2.3:</b> Amendments with regulations to require a thorough check of biodiversity impacts of proposed oil-and-gas projects to State Ecological Examination and Environmental Impact Assessment screening instruments widely <b>discussed</b> and <b>agreed</b> with stakeholders.</p> <p><b>Target 3.3:</b> National Map of areas, where: (a) oil and gas sector development is to be avoided altogether; (b) oil and gas extraction projects are allowed, but should have mitigation measures to reduce biodiversity impacts; and (c) restoration or offset scheme is needed, widely <b>discussed</b> and <b>agreed</b> with stakeholders.</p> <p><b>Target 4.3:</b> Capacities of at least 3 Officers from Uzbekneftegaz <b>developed</b> through trainings on principles and practical approaches for avoid-reduce-remedy-offset approaches to oil-and-gas operations (at least 1 woman).</p> <p><b>Target 5.3:</b> Technical assistance for actual implementation of risk mitigation measures <b>provided</b> to at least one active oil-and-gas extraction site in Shakhpahty (Ustyurt Plateau).</p> | <p>approval for the proposed map into included into the Oil-and-gas Sector Development Plan for 2007-2012 and the next phase plan;</p> <p><b>Action 3.4:</b> Publish and widely circulate the mapping of lands.</p> <p><b>Action 4.1:</b> Prepare training materials on principles and practical approaches for avoid-reduce-remedy-offset approaches to oil-and-gas operations;</p> <p><b>Action 4.2:</b> Organize a series of trainings for officers from State Committee for Nature Protection;</p> <p><b>Action 4.3:</b> Organize a series of trainings for officers from Uzbekneftegaz;</p> <p><b>Action 4.4:</b> Organize a series of trainings for officers from leading oil-and-gas companies;</p> <p><b>ACTIVITY RESULT 2:</b><br/>Demonstrating biodiversity mainstreaming technologies on the ground in the Ustyurt Plateau.</p> <p><b>Action 5.1:</b> Adapt the best international products studied on mainstreaming biodiversity into oil-and-gas sector for preparation of the Guidebook on biodiversity conservation approaches in the oil-and-gas sector in Uzbek specific ecosystems (steppe and deserts);</p> <p><b>Action 5.2:</b> Organize study tour to sister projects in order to establish partnership; <b>Action 5.3:</b> Organize a series of workshops and round tables to discuss the draft Guidebook with stakeholders and government officials;</p> <p><b>Action 5.4:</b> Publish and organize a presentation of the Guidebook in order to widely disseminate it among stakeholders and Government officials.</p> <p><b>Action 6.1:</b> Conduct initial field survey to identify the sites for demonstration of biodiversity risk mitigation measures;</p> <p><b>Action 6.2:</b> Conduct a series of field trips for trainings oil-and-gas staff of the demonstration sites;</p> <p><b>Action 6.3:</b> Conduct needs assessment and provide assistance to one active oil-and-gas extraction site in Shakhpahty (Ustyurt Plateau).</p> <p><b>Action 6.4:</b> Prepare design of one active oil-and-gas extraction site in Shakhpahty (Ustyurt Plateau).</p> <p><b>Action 7.1:</b> Analyze stakeholder activities for engagement of ecological expertise in the design of investment projects;</p> <p><b>Action 7.2:</b> Prepare reports on integration of avoidance and mitigation technologies into the</p> | <p><b>ACTIVITY 2:</b><br/>State Committee for Nature Protection of the Republic of Uzbekistan, Ministry of Economy, Uzbekneftegaz, Flora and Fauna International (NGO), and private sector oil and gas companies (Lukoil, Petromas Carigali, Gazprom, Aral Sea, KNOC, KOGAS, CNPC).</p> <p><b>TOTAL FOR ACTIVITY 2:</b><br/>\$770,000</p> <p><b>Year 1:</b> \$192,500 (GEF: \$192,500)</p> <p><b>Year 2:</b> \$192,500 (GEF: \$192,500)</p> <p><b>Year 3:</b> \$192,500 (GEF: \$192,500)</p> <p><b>Year 4:</b> \$192,500 (GEF: \$192,500)</p> |
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| <p>one active oil-and-gas extraction site has in place biodiversity mitigation measures.</p> <p><b>Baseline 6:</b> Avoidance and mitigation technologies are not integrated in the design of prospective major oil-and-gas development at the Ustyurt Steppe Plateau.</p> <p><b>Indicator 6:</b> At least one prospective major oil-and-gas development at the Ustyurt Steppe Plateau integrate avoidance and mitigation technologies.</p> | <p><b>Target 6.3:</b> Assistance rendered in triggering the implementation of the avoidance and mitigation technologies at one prospective major oil-and-gas development on the Ustyurt Steppe Plateau.</p> <p><b>Target 7.3:</b> Papers prepared for the offset area to be officially designated as a protected area by the Government; management unit for the site established and equipped; rangers capacitated to take control of poaching; long term management and business plan with a 5-year budget ensured.</p> <p><b>Target 8.3:</b> Success of mainstreaming assessed through comparison with areas not targeted for intervention where business-as-usual prevails.</p> <p><b>YEAR 4:</b></p> <p><b>Target 1.4:</b> Governmental approval for Amendments with regulations on (a) the "avoid-reduce-remedy-offset" principles in extractive industries, including development of norms and methodology for determining indirect negative impacts on flora and fauna, and (b) a mechanism for independent assessment of biodiversity (ecological audit and public ecological examination) during fuel extraction and transportation to Laws "On Environmental Protection", "On Environmental Examination", "On Specially Protected Natural Territories", "On the Protection and Use of Flora", "On the Protection and Use of Fauna", "On State Cadastres", and Land Code received.</p> <p><b>Target 2.4:</b> Governmental approval for Amendments to require a thorough check of biodiversity impacts of proposed oil-and-gas projects to State Ecological Examination and Environmental Impact Assessment screening instruments received.</p> <p><b>Target 3.4:</b> Governmental approval for inclusion of the National Map of (i) lands that should be off-limits to exploration and drilling, (ii) lands where extraction projects are allowed, but should have mitigation measures, and (iii) lands where a restoration or offset scheme is needed, into Oil-and-gas Sector Development Plan for 2007-2012 and into the next phase plan as Annex received.</p> <p><b>Target 4.4:</b> Capacities of at least 7 Environmental Officers of leading oil-and-gas companies developed through trainings on principles and practical approaches for avoid-reduce-remedy-offset approaches to oil-and-gas operations (at least 25% are women).</p> <p><b>Target 5.4:</b> Biodiversity monitoring plan and mechanism implemented in order to demonstrate biodiversity risk mitigation measures at one active oil-and-gas extraction site in Shakhpathy (Ustyurt Plateau).</p> <p><b>Target 6.4:</b> Avoidance and mitigation technologies integrated in the design of the one prospective major oil-and-gas development on the Ustyurt Steppe Plateau.</p> <p><b>Target 7.4:</b> Biodiversity offset scheme to compensate for damages from existing and proposed oil-and-gas operations in the Ustyurt Plateau operationalized.</p> <p><b>Target 8.4:</b> Results of mainstreaming in demonstration areas monitored on a periodic basis and verified by independent subcontractors.</p> | <p>overall oil-and-gas project documentation;</p> <p><b>Action 7.3:</b> Conduct needs assessment and provide assistance one prospective major oil-and-gas development on the Ustyurt Steppe Plateau;</p> <p><b>Action 7.4:</b> Prepare design of one prospective major oil-and-gas development on the Ustyurt Steppe Plateau.</p> <p><b>Action 8.1:</b> Prepare reports on roles of players (local government, oil-and-gas consortia, NGOs/communities) in the biodiversity offset;</p> <p><b>Action 8.2:</b> Prepare draft Conservation action plan at the identified location for biodiversity offset;</p> <p><b>Action 8.3:</b> Prepare reports on offset area to be officially designated as a protected area;</p> <p><b>Action 8.4:</b> Conduct a series of trainings for rangers;</p> <p><b>Action 8.5:</b> Prepare a long term management and business plan with a 5-year budget.</p> <p><b>Action 8.6:</b> Launch official biodiversity offset scheme.</p> <p><b>Action 9.1:</b> Prepare a Monitoring plan for SCNP and Institutes of the Academy of Sciences to monitor the state of biodiversity;</p> <p><b>Action 9.2:</b> Organize a series of round tables to discuss the Monitoring plan;</p> <p><b>Action 9.3:</b> Conduct a series of field trips to compare the state of biodiversity in monitored and non-monitored sites;</p> <p><b>Action 9.4:</b> Subcontract international independent consultants to verify the results.</p> <p><b>Action 10.1:</b> Prepare reports with training materials for future workshops and seminars;</p> <p><b>Action 10.2:</b> Organize a series of workshops and seminars to oil-and-gas industry representatives;</p> <p><b>Action 10.3:</b> Prepare draft brochures and awareness raising materials with lessons learned;</p> <p><b>Action 10.4:</b> Conduct field surveys to identify potential sites for replication;</p> <p><b>Action 10.5:</b> Prepare reports on developing a strategy for engaging stakeholders to new sites;</p> <p><b>Action 10.6:</b> Prepare draft Funded plan for replication;</p> <p><b>Action 10.7:</b> Organize workshops to discuss and submit the Funded plan for government and industry representatives' approval.</p> | <p><b>TOTAL FOR ACTIVITY 3:</b><br/>\$260,000</p> <p><b>Year 1:</b>\$99,000 (UNDP: \$76,500 GEF: \$22,500)</p> <p><b>Year 2:</b>\$48,000 (UNDP:\$25,500 GEF=\$22,500)</p> <p><b>Year 3:</b> \$48,000 (UNDP:\$25,500 GEF=\$22,500)</p> <p><b>Year 4:</b>\$65,000 (UNDP: \$42,500 GEF=\$22,500)</p> <p><b>TOTAL<sup>6</sup> FOR OUTPUT =</b><br/>\$1,120,000</p> |
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<sup>6</sup> Both the Government of Uzbekistan (State Committee for Nature Protection - SCNP) and the Flora and Fauna International (FFI) will make in-kind contributions to the project activities in the amount of US\$6,000,000 (co-financing from SCNP) and US\$1,225,812 (co-financing from FFI) respectively.

4. TOTAL BUDGET AND WORKPLAN

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|---|---|
| Award ID:                               | 00060502  |
| Award Title:                            | Mainstreaming biodiversity into Uzbekistan's oil-and-gas sector policies and operations |
| Business Unit:                          | UZB10   |
| Project Title:                          | Mainstreaming biodiversity into Uzbekistan's oil-and-gas sector policies and operations |
| Implementing Partner (Executing Agency) | State Committee for Nature Protection (SCNP)  |

| GEF Outcome/Atlas Activity   | Responsible Party/Implementing Agent | Fund ID | Donor Name | Atlas Budgetary Account Code | Atlas Budget Description                   | Total            | Amount Year 1 (USD) | Amount Year 2 (USD) | Amount Year 3 (USD) | Amount Year 4 (USD) | Budget Note |
|--|--------------------------------------|---------|------------|------------------------------|--|------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| Outcome 1:<br>Enabling policy, legislative and institutional environment for mainstreaming biodiversity considerations in the oil-and-gas sector | SCNP                                 | 62000   | GEF        | 71300                        | Technical Experts (national)               | 12,200           | 4,000               | 2,800               | 2,600               | 2,800               | 1           |
|  |                                      |         |            | 71300                        | Local consultants (national)               | 10,150           | 3,500               | 2,100               | 1,925               | 2,625               | 2           |
|  |                                      |         |            | 71300                        | Technical Experts (international)          | 60,000           | 15,000              | 15,000              | 15,000              | 15,000              | 3           |
|  |                                      |         |            | 72100                        | Contractual Services-Companies             | 7,000            | 2,000               | 1,000               | 1,000               | 3,000               | 4           |
|  |                                      |         |            | 74500                        | Miscellaneous                              | 650              | 150                 | 175                 | 150                 | 175                 | 5           |
|  |                                      |         |            |                              | <b>TOTAL OUTCOME 1</b>                     | <b>90,000</b>    | <b>24,650</b>       | <b>21,075</b>       | <b>20,675</b>       | <b>23,600</b>       |             |
|  |                                      |         |            | 71300                        | Technical Experts (national)               | 18,400           | 4,600               | 4,600               | 4,600               | 4,600               | 6           |
|  |                                      |         |            | 71300                        | Local consultants (national)               | 19,600           | 4,900               | 4,900               | 4,900               | 4,900               | 7           |
|  |                                      |         |            | 71200                        | Technical Experts (international)          | 132,500          | 33,125              | 33,125              | 33,125              | 33,125              | 8           |
|  |                                      |         |            | 72100                        | Contractual Services-Companies             | 71,000           | 17,750              | 17,750              | 17,750              | 17,750              | 9           |
| Outcome 2:<br>Demonstrating biodiversity mainstreaming technologies on the ground in the Ustyurt Plateau   | SCNP                                 | 62000   | GEF        | 72200                        | Equipment and furniture                    | 174,000          | 43,500              | 43,500              | 43,500              | 43,500              | 10          |
|  |                                      |         |            | 72300                        | Materials and goods                        | 98,000           | 24,500              | 24,500              | 24,500              | 24,500              | 11          |
|  |                                      |         |            | 74200                        | Audio-visual and printing production costs | 108,000          | 27,000              | 27,000              | 27,000              | 27,000              | 12          |
|  |                                      |         |            | 71600                        | Travel                                     | 100,000          | 25,000              | 25,000              | 25,000              | 25,000              | 13          |
|  |                                      |         |            | 74500                        | Miscellaneous                              | 48,500           | 12,125              | 12,125              | 12,125              | 12,125              | 14          |
|  |                                      |         |            |                              | <b>TOTAL OUTCOME 2</b>                     | <b>770,000</b>   | <b>192,500</b>      | <b>192,500</b>      | <b>192,500</b>      | <b>192,500</b>      |             |
|  |                                      |         |            | 71400                        | Project Coordinator                        | 39,900           | 9,975               | 9,975               | 9,975               | 9,975               | 15          |
|  |                                      |         |            | 71400                        | Project Assistant                          | 25,340           | 6,335               | 6,335               | 6,335               | 6,335               | 16          |
|  |                                      |         |            | 72400                        | Office facilities, equipment and communic. | 22,560           | 5,640               | 5,640               | 5,640               | 5,640               | 17          |
|  |                                      |         |            | 71600                        | Travel                                     | 2,200            | 550                 | 550                 | 550                 | 550                 | 18          |
| Outcome 3:<br>Project Management   | SCNP                                 | 4000    | UNDP       |                              | <b>Sub-total GEF</b>                       | <b>90,000</b>    | <b>22,500</b>       | <b>22,500</b>       | <b>22,500</b>       | <b>22,500</b>       |             |
|  |                                      |         |            | 71400                        | Contr. Serv - indiv                        | 136,000          | 68,000              | 17,000              | 17,000              | 34,000              | 1           |
|  |                                      |         |            | 71600                        | Travel                                     | 16,000           | 4,000               | 4,000               | 4,000               | 4,000               | 19          |
|  |                                      |         |            | 73500                        | Reimb-t cost                               | 8,000            | 2,000               | 2,000               | 2,000               | 2,000               | 20          |
|  |                                      |         |            | 74500                        | Miscellaneous                              | 10,000           | 2,500               | 2,500               | 2,500               | 2,500               | 14          |
|  |                                      |         |            |                              | <b>Sub-total UNDP</b>                      | <b>170,000</b>   | <b>76,500</b>       | <b>25,500</b>       | <b>25,500</b>       | <b>42,500</b>       |             |
|  |                                      |         |            |                              | <b>TOTAL PROJECT MANAGEMENT</b>            | <b>260,000</b>   | <b>99,000</b>       | <b>48,000</b>       | <b>48,000</b>       | <b>65,000</b>       |             |
|  |                                      |         |            |                              | <b>TOTAL GEF ALLOCATION</b>                | <b>950,000</b>   | <b>239,650</b>      | <b>236,075</b>      | <b>235,675</b>      | <b>238,600</b>      |             |
|  |                                      |         |            |                              | <b>TOTAL UNDP ALLOCATION</b>               | <b>170,000</b>   | <b>76,500</b>       | <b>25,500</b>       | <b>25,500</b>       | <b>42,500</b>       |             |
|  |                                      |         |            |                              | <b>GRAND TOTAL</b>                         | <b>1,120,000</b> | <b>316,150</b>      | <b>261,575</b>      | <b>261,175</b>      | <b>281,100</b>      |             |



| Budget Note  |
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| 1 Annex provides details on terms of reference for these consultants.  |
| 2 Annex provides details on terms of reference for these consultants.  |
| 3 Annex provides details on terms of reference for these consultants.  |
| 4 Subcontracts for organizing, hosting, facilitating and documenting stakeholder consultations on (1) legal amendments, (2) mapping of "no-go" areas, areas where extraction is allowed but with mitigation measures, and areas where offsets are required, (3) amendments to EIA and EMS, (4) capacity development (estimated average per day expenditure is USD 500).  |
| 5 Other unpredicted expenditures.  |
| 6 Annex provides details on terms of reference for these consultants.  |
| 7 Annex provides details on terms of reference for these consultants.  |
| 8 Annex provides details on terms of reference for these consultants.  |
| 9 Subcontracts for organizing, hosting, facilitating and documenting stakeholder consultations related to (1) development of the Guidebook, (2) identification of risk mitigation measures at Shakhpahty fields, (3) identification of mitigation measures at a proposed oil-and-gas site, (4) development of the offset scheme, (5) awareness raising and development of replication strategy (estimated average per day cost is 1,500). Subcontracts for independent verification of biodiversity impacts at demonstration sites (estimated average per week cost is 2,500). |
| 10 Purchase of equipment such as Computers, Beamer projector, Printer, Scanner, Photocopy machine, Furniture, Digital Camera, FAX machine, GPS, Vehicles (4 wd), Accessories (spare parts), high-power binoculars for carrying out different activities in the demonstration sites in Karakalpakstan.  |
| 11 Expenditures on materials such as agricultural and forestry products that will be required while working with locals on pursuing biodiversity risk mitigating and offsetting measures.  |
| 12 Expenditures related to communication activities/ materials for Outcome 2.  |
| 13 Tickets for international experts (estimated at 30 trips @ \$1,000 each); and DSA for field work & missions in Uzbekistan for national and international experts (estimated at 400 days at \$151 per day).  |
| 14 Other unpredicted expenditures.   |
| 15 Annex provides details on terms of reference for this consultant. 70% of cost to be covered by GEF; 30% by cofinancing.   |
| 16 Annex provides details on terms of reference for this consultant. 70% of cost to be covered by GEF; 30% by cofinancing.   |
| 17 Facilities and communications (internet, landlines, cell phone service) for management purposes (estimated at approximately \$470/ month)   |
| 18 Management-related travel to/from project sites for the project management team to enable hands-on management (estimated 1 day-trip per month @ \$160/ day)   |
| 19 Management-related travel to/from project sites for the project management team/UNDP CO focal points  |
| 20 Reimbursement costs, ISS and etc.   |

#### Summary of Funds:

|                                 | Amount Year 1 (USD) | Amount Year 2 (USD) | Amount Year 3 (USD) | Amount Year 4 (USD) | Total (USD) |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| GEF (cash)                      | 239,650             | 236,075             | 235,675             | 238,600             | 950,000     |
| SCNP (parallel co-financing)    | 2,700,000           | 900,000             | 900,000             | 1,500,000           | 6,000,000   |
| FFI (parallel co-financing)     | 551,615             | 183,872             | 183,872             | 306,453             | 1,225,812   |
| UNDP (cash)                     | 76,500              | 25,500              | 25,500              | 42,500              | 170,000     |
| TOTAL FINANCING (Excluding PPG) | 3,567,765           | 1,345,447           | 1,345,047           | 2,087,553           | 8,345,812   |

Note: Lukoil has expressed strong interest in providing financial support to the project. However, due to strict confidentiality of sharing information with third parties according to the Product Sharing Agreement, at this stage, the company can not provide specific co-financing amounts. However, the company has stated in a letter to the Chairman of the SCNP (letter submitted with the rest of the cofinancing letters) that during project implementation, once permission is received from the Ministry of Economy (NHC Uzbekneftegaz), the company is ready to support all project activities, including sharing information on eco audits that have already been completed on some fields on the Ustyurt Plateau.



## 5. MANAGEMENT ARRANGEMENTS

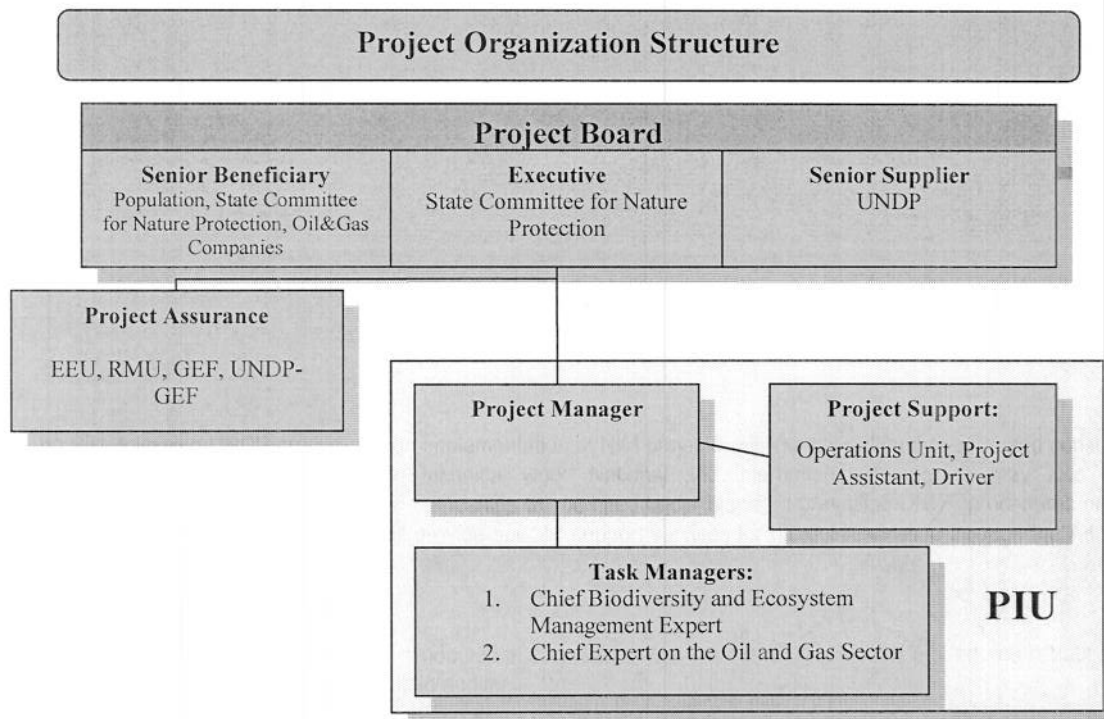
### 5.1 Project Implementation Arrangements

56. The project will be implemented through National implementation modality (NIM), as described in the UNDP Programme and Operations Policies and Procedures (POPP). At the national level, the project will be executed by the State Committee for Nature Protection. The State Committee will appoint a senior official to be the National Project Coordinator (NPC).
57. Overall guidance will be provided by the Project Board (PB). This will consist of key national governmental and non-governmental agencies, appropriate local level representatives, representatives from the oil-and-gas industry, and independent third-parties such as international or national NGOs. UNDP will also be represented on the PB. The PB will be balanced in terms of gender. The Project Board will be responsible for making management decisions for the project, in particular when guidance is required by the Project Manager. It will play a critical role in project monitoring and evaluations by assuring the quality of these processes and associated products, and by using evaluations for improving performance, accountability and learning. The Project Board will ensure that required resources are committed. It will also arbitrate on any conflicts within the project and negotiate solutions to any problems with external bodies. In addition, it will approve the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities. Based on the approved Annual Work Plan, the Project Board can also consider and approve the annual plan and also approve any essential deviations from the original plans.
58. In order to ensure UNDP's ultimate accountability for project results, Project Board decisions will be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
59. Potential members of the Project Board will be reviewed and recommended for approval during the PAC meeting. The Project Board will contain three distinct roles:
  - *Executive Role*: This individual will represent the project "owners" and will chair the group. It is expected that SCNP will appoint a senior official to this role who will ensure full government support of the project and serve as the NPC.
  - *Senior Supplier Role*: This role requires the representation of the interests of the parties concerned which provide funding for specific cost sharing projects and/or technical expertise to the project. The Senior Supplier's primary function within the Board will be to provide guidance regarding the technical feasibility of the project. This role will rest with UNDP-Uzbekistan represented by the UNDP RR/DRR or designated official.
  - *Senior Beneficiary Role*: This role requires representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the Board will be to ensure the realization of project results from the perspective of project beneficiaries. This role will rest with the other institutions represented on the Project Board, who are stakeholders in the project.
60. Project Assurance: The Project Assurance role supports the Project Board Executive by carrying out objective and independent project oversight and monitoring functions. The Project Assurance role will rest with UNDP Uzbekistan (Environmental and Energy Unit of the UNDP CO Uzbekistan).
61. A Project Implementation Unit (PIU) will be established comprising of core staff including: the Project Manager, and Project Assistant (See Annex 2). The PIU will assist the State Committee in performing its role as implementing partner. The PM will be recruited in accordance with UNDP's regulations to manage actual implementation of the project; and will be based in Tashkent. The PM will be responsible for overall project coordination and implementation, consolidation of work plans and project papers, preparation of quarterly progress reports, reporting to the project supervisory bodies, and supervising the work of the project experts and other project staff. The PM will also closely coordinate project activities with relevant government institutions and hold regular consultations with other project stakeholders and partners, including the UNDP/GEF project "Conservation of Tugai Forests in the Lower Amudarya Delta, and the project "Strengthening Sustainability of the National Protected Area System by Focusing on Strictly Protected Areas". Under the direct supervision of the PM, the Administrative Assistant will be responsible for administrative and financial issues, and will get support from the existing UNDP administration.
62. The permanent core technical staff of the project will be Chief Expert on Biodiversity and Ecosystem Management, and the Chief Expert on the Oil-and-Gas Sector. They will supervise a team of national and international specialists, who will implement specific activities of the project at the local level. The PM and national specialists will spend a large portion of their time in the field, and the PM will be ultimately responsible for liaison with communities engaged in the project.
63. The State Committee for Nature Protection of the Republic of Uzbekistan will provide office premises for the project team as well as telephone communication lines, and the required expertise and services of their corresponding staff; The State Committee for Nature Protection of the Republic of Uzbekistan will also provide support of their relevant subdivisions and staff (Gosbiocontrol) in implementation of project activities on the pilot/demonstration sites.

64. The PIU, following UNDP procedures on implementation of NIM projects, will identify national experts and consultants, and international experts as appropriate to undertake technical work. National and international companies may also be involved in project implementation. These consultants and companies will be hired under standard prevailing UNDP procedures on implementation of NIM projects. The UNDP Country Office will provide specific support services for project realization through the Administrative and Finance Units as required.

5.2 *Audit arrangements*

65. Audit Arrangements: The Audit will be conducted in accordance with the established UNDP procedures set out in the Programming and Finance manuals by the legally recognized auditor.



5.3 *Use of institutional logos on project deliverables*

66. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

5.4 *Country Office Support Services*

67. In accordance with the provisions of the letter of agreement signed on 30 April, 2010, and the approved Country Programme Action Plan 2010-2015, the UNDP country office shall provide support services for the Project as described below.

68. The UNDP and State Committee for Nature Protection (SCNP) have agreed that the UNDP Country Office will provide the following support services for the project activities at the request of the SCNP for the whole duration of the project cycle:

- (a) Identification and/or recruitment and solution of administrative issues related to the project personnel;
- (b) Procurement of commodities, labor and services;
- (c) Identification and facilitation of training activities, seminars and workshops;
- (d) Financial monitoring and reporting;
- (e) Processing of direct payments;
- (f) Supervision of project implementation, monitoring and assistance in project assessment.

69. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of SCNP is strengthened to enable it to carry out such activities directly.

70. When providing the above support services, the UNDP Country Office will recover the costs for providing Implementation Support Services on the basis of actual costs and transaction fee based on the Universal Price List (see Annex1 attached).

71. The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. If the requirements for support services by the country office change during the life of a project, the list UNDP country office support services is revised with the mutual agreement of the UNDP resident representative and SCNP.
72. The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Uzbekistan and the UNDP, signed by Parties on 10th June 1993, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services.
73. SCNP shall retain overall responsibility for this nationally managed project and will appoint the National Project Coordinator (NPC). Direct responsibility of the NPC will be provision of strategic advice, as well as coordination of the project activity taking into account interests of the Government (for more details please see roles and responsibilities of the Project Board's Executive).
74. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this document shall be handled pursuant to the relevant provisions of the SBAA.

## 6. MONITORING FRAMEWORK AND EVALUATION

75. The project team and the UNDP Country Office (UNDP-CO) supported by the UNDP/GEF Regional Coordination Unit in Bratislava will be responsible for project monitoring and evaluation conducted in accordance with established UNDP and GEF procedures. The Project Results Framework (in Section 3) provides performance and impact indicators for project implementation along with their corresponding means of verification. The GEF SO-2 Tracking Tool will also be used to monitor progress on mainstreaming biodiversity considerations in production sectors (see Annex 3). The following sections outline the principle components of the M&E plan and indicative cost estimates related to M&E activities. The project's M&E plan will be presented to all stakeholders at the Project's Inception Workshop and finalized following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

### *Project start*

76. A Project Inception Workshop will be held within the first 2 months of project start-up involving those with assigned roles in the project organization structure, UNDP country office, and, where appropriate/ feasible, regional technical policy and programme advisors, as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year's annual work plan. The Inception Workshop report will be a key reference document and will be prepared and shared with participants to formalize various agreements and plans decided during the meeting. The Inception Workshop will address a number of key issues including:
  - Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis-à-vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
  - Based on the project results framework and the GEF SO-2 Tracking Tool, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and re-check assumptions and risks.
  - Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
  - Discuss financial reporting procedures and obligations, and arrangements for annual audit.
  - Plan and schedule Project Board meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the Inception Workshop.

### *Quarterly monitoring*

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS.
- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions will be a key indicator in the UNDP Executive Balanced Scorecard.

### *Annual monitoring*

77. Annual Project Review/ Project Implementation Reports (APR/PIR): This key report will be prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements. The APR/PIR includes, but is not limited to, reporting on the following:
  - Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
  - Project outputs delivered per project outcome (annual)
  - Lessons learned/good practice.
  - AWP and other expenditure reports

- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. SO-2 Tracking Tool)

*Periodic monitoring through site visits*

78. UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/ Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/ BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

*Mid-term of project cycle*

79. The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation. The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; highlight issues requiring decisions and actions; and present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). The GEF SO-2 Tracking Tool will also be completed during the mid-term evaluation cycle.

*End of project*

80. An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/ goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to UNDP-GEF's Project Information Management System (PIMS) and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The GEF SO-2 Tracking Tool will also be completed during the final evaluation.
81. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

*Learning and knowledge sharing*

82. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/ or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.
83. The detailed Monitoring and Evaluation Plan and the Quality Log will be developed after approval of the Inception Report.

**Table 1. Project Monitoring and Evaluation Plan and Budget**

| Type of M&E activity  | Responsible Parties  | Budget US\$   | Time frame   |
|---|--|---|--|
| Inception Workshop (IW)   | Project Manager<br>State Committee for Nature Protection, UNDP, UNDP GEF   | 5,000   | Within first two months of project start up        |
| Inception Report  | Project Team<br>PSC, UNDP CO   | None  | Immediately following IW                           |
| Measurement of Means of Verification for Project Purpose Indicators | Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members | To be finalized in Inception Phase and Workshop. Cost to be covered by targeted survey funds. | Start, mid and end of project                      |
| Measurement of Means of Verification for Project                    | Oversight by Project GEF Technical Advisor and Project   | TBD as part of the Annual Work Plan's   | Annually prior to APR/PIR and to the definition of |



| Type of M&E activity   | Responsible Parties   | Budget US\$   | Time frame                                       |
|--|---|---|--|
| Progress and Performance (measured on an annual basis)                   | Manager<br>Measurements by regional field officers and local IAs              | preparation. Cost to be covered by field survey budget. | annual work plans                                |
| PIR  | Project Team<br>PSC<br>UNDP-GEF   | None  | Annually   |
| Project Board meetings   | Project Manager   | None  | Following IW and annually thereafter.            |
| Technical and periodic status reports                                    | Project team<br>Hired consultants as needed                                   | 6,000   | TBD by Project team and UNDP-CO                  |
| Mid-term External Evaluation   | Project team<br>PSC<br>UNDP-GEF RCU<br>External Consultants (evaluation team) | 25,000  | At the mid-point of project implementation.      |
| Final External Evaluation  | Project team,<br>PSC, UNDP-GEF RCU<br>External Consultants (evaluation team)  | 32,000  | At the end of project implementation             |
| Terminal Report  | Project team<br>PSC<br>External Consultant                                    | None  | At least one month before the end of the project |
| Audit  | UNDP-CO<br>Project team   | 5,000   | Yearly   |
| Visits to field sites (UNDP staff travel costs to be charged to IA fees) | UNDP-CO, UNDP-GEF RCU<br>Government representatives                           | None  | Yearly average one visit per year                |
| TOTAL indicative COST<br>Excluding project and UNDP staff time costs     |   | 73,000  |  |

## 7. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA and all CPAP provisions apply to this document.

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

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.
85. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.
86. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision will be included in all sub-contracts or sub-agreements entered into under this Project Document.

| # | Description   | Date Identified | Type        | Impact & Probability   | Countermeasures/<br>Mngt response   | Owner | Submitted, updated by | Last Update | Status |
|---|---|-----------------|-------------|--|---|-------|-----------------------|-------------|--------|
| 1 | Lack of full co-operation (financial and manpower) from oil-and-gas industry in implementing the project  | May 2010        | Operational | Affects the efficiency of outputs and outcomes<br>P-2<br>I-4               | Signed MoA between the State Committee on Nature Protection and the largest oil-and-gas companies on joint efforts allow both sides work on the public and raise awareness of the conservation values of the steppe ecosystems. Within this discussions the oil-and-gas companies operating (or planning to operate) in the steppe ecosystems will participate in the project through (i) participation on the project Steering Committee headed by the State Committee on Nature Protection, and (ii) participation in demonstration activities, including the biodiversity offsets (presupposing co-financing). These positive agreements make up the basis of the mitigation strategy for this threat.   |       |                       |             |        |
| 2 | Lack of engagement of government actors/ institutions and commitment to the project strategy.<br>Weak position of national and local governments on requiring the oil-and-gas sector to mainstream biodiversity | May 2010        | Political   | May hinder or delay the implementation of project activities<br>P-2<br>I-4 | The approach to mitigating the impacts of this risk is to maintain dialogue with a range of national actors who have participated in the project development process. During the project development phase, UNDP has built a dialogue not only with political authorities and a number of government staff, but also with other non-government actors. UNDP has built alliances with other international NGOs working on biodiversity conservation in Uzbekistan. It has also kept up a dialogue with other actors supporting the oil-and-gas sector in Uzbekistan such as the ADB and BSI. Independent experts and researchers have also been engaged in project discussions. This broad-based support will help to ensure that all stakeholders remain committed to the project's avoid-reduce-remedy-offset principle. |       |                       |             |        |

|    |  |          |             |   |   |  |  |
|----|--|----------|-------------|---|---|--|--|
| 3  | Lack of expertise to implement of the biodiversity conservation technologies in Component II   | May 2010 | Operational | May hinder or delay the implementation of project activities<br>P-1<br>I-3            | <p>A two-pronged mitigation strategy is being adopted for this risk. Firstly, the project will rely on best international guidance available to craft site-specific technologies specifically for the ecological and economic contexts of the Uzbek steppes. Local research institutes (e.g. Uztyazneftegaschimproject) which possess important local knowledge of the oil-and-gas technologies applied in Uzbekistan will be actively involved in developing biodiversity conservation technologies. Secondly, under Component I, the project will invest significant resources in capacity building of staff from the State Nature Protection Committee (at central level and local inspectors), Uzbekeftegaz environmental department, and environmental officers of large oil-and-gas companies on matters of designing and implementing biodiversity conservation and management technologies.</p> |  |  |
| 4. | The oil-and-gas companies do not adopt the step-wise approach to mainstreaming biodiversity and jump directly to an offset program because they see the offsets as easier to implement rather than going for fundamental changes in project development and management |          | Regulatory  | May have negative impact on the sustainability of the project's outputs<br>P-4<br>I-2 | <p>All supporting measures to be undertaken in the enabling environment under Component I (legal amendments, amendments to ecological examination process and EIA instrument, capacity building programme) will be designed to require this step-wise approach. Independent/ third-party verification of implementation of the measures (to be financed under Output II.v) will evaluate the consideration of this step-wise approach by companies.</p>   |  |  |

|    |  |             |   |  |  |  |  |
|----|--|-------------|---|--|--|--|--|
| 5. | Climatic changes will lead to rapid loss of biodiversity in the area | Operational | <p>May have negative impact on the sustainability of the project's outputs</p> <p>P-2<br/>I-2</p> | <p>Climate change impacts are aggravated by habitat degradation and pressures caused by humans. Under Component II, demonstration activities will include reduction of anthropogenic threats, habitat fragmentation and degradation. By reducing external stressors on the ecosystem the project will increase the resilience of the ecosystem to anticipated climate change. For example, by reducing oil-and-gas industry impacts on populations of the Saiga antelope, the project will help stabilize the ecosystem in several ways. The Saiga antelope is the dominant grazer of the ecosystem and has the capacity to drive vegetation dynamics and produce changes in fire regimes in the region. Fire regimes have been disturbed lately with excessive exploitation of the Saiga.</p> |  |  |  |
|----|--|-------------|---|--|--|--|--|



Annex 2 Terms of References for key project staff



**UNITED NATIONS DEVELOPMENT PROGRAMME  
TERMS OF REFERENCE / SERVICE CONTRACT**

**I. JOB INFORMATION**

|                          |  |
|--------------------------|--|
| Job title:               | <b>Project Manager (PM)</b>  |
| SC range:                | SC-9   |
| Project Title:           | Mainstreaming biodiversity into Uzbekistan's oil and gas sector policies and operations    |
| Duration of the service: | 6-months initial appointment, with possible extension, subject to satisfactory performance |
| Work status:             | Full time  |
| Reports to:              | Head of Environment and Energy Unit, UNDP CO   |

**II. BACKGROUND INFORMATION**

The steppe areas of Uzbekistan are the one of the last remaining samples of the globally threatened dry temperate grassland biomes. The primary threat facing the Uzbek steppes is oil-and-gas exploration that is increasingly being targeted there. While the country has in place a network of protected areas, it cannot provide security to the vast swathes of steppes that continue to lie outside the system. The long-term goal to which the project will contribute is that all ongoing and future oil-and-gas operations in Uzbekistan minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The project objective is to mainstream biodiversity conservation into Uzbekistan's oil-and-gas policies and operations by demonstrating this in the Ustyurt Plateau.

**III. FUNCTIONS / KEY OUTPUTS EXPECTED**

Under the supervision of the Head of Environment & Energy Unit, UNDP Country Office in Uzbekistan, the guidance of the Project Board and the technical supervision of the Regional Technical Advisor (Bratislava Regional Office), the Project Manager is responsible for day-to-day management of the project and achieving the project outputs as described in the Project Document signed by UNDP and the Government of Uzbekistan, to the expected standards of quality and within the specified constraints of time and cost, as per UNDP Operational Guidelines. The position requires high degree of technical knowledge of biodiversity conservation, ability to quickly analyze and understand the country context, build partnerships, develop innovative solutions and mobilize regional and global knowledge to meet the specific country needs.

**Specific responsibilities:**

*Project management, as per UNDP Operational and Programmatic Guidelines;*

- Project planning, that produces annual and strategic project plans, to ensure its implementation is in accordance with the milestones, outlined in the Project Document, and set delivery and co-financing targets;
- Overall financial and operational management, including transparent use of funds and accurate financial and programmatic reporting;
- Promote and maintain an environment of teamwork and partnership with the project team, the Project Board and other stakeholders;
- Supervision and guidance of project staff, and maintaining a functional project office;
- Set performance and learning targets for core and non-core staff of the project, assess their performance and provide feedback;
- Promote close cooperation, communication and involvement of all main stakeholders (Government, UN Agencies, Project Board, Supplier and Beneficiaries) into planning and delivery of project activities to ensure the overall direction and integrity of the project;
- Identify partnership strategies with regard to providers of specialized expertise and possible co-financiers, leading to resource mobilization for project components;
- Liaise with other UNDP projects to implement possible synergies, including in the area of climate risk management;
- Ensure that project contributes to the promotion of gender equality by reaching, involving and benefiting both women and men in staff recruitment and in implementation of project activities to the extent possible. Ensure that all data gathered during project implementation is disaggregated by gender;
- Liaise with relevant stakeholders to obtain any support and guidance required for management and implementation of project activities;
- Other tasks, necessary for successful management of the project, as required by the supervisor

*Project Implementation*

- Prepare Annual Work Plan, Annual Plan of Activities and Annual Procurement Plan for the project;
- Develop effective project work-plans and budgets, to ensure best use of personnel and financial resources, and to monitor progress against the initial quality criteria;

- Mobilize goods and services to initiate activities, including drafting Terms of References (job descriptions) and work specifications;
- Gender sensitive recruitment of national and international staff (core and non-core), ensures quality of outputs, timely delivery of services and payments;
- Monitor and evaluate project outcomes and results for 1) adopting corrective measures in project implementation, when necessary, to ensure timely delivery of required inputs and achievement of results and 2) deriving lessons learned to inform future programming in mainstreaming biodiversity into national policies.
- Monitor and facilitate advocacy and outreach activities, writing of success stories, press-releases, newspapers coverage, and other relevant PR campaigns;
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports, including proper utilization of funds and delivery, budget revisions, availability of funds, reconciliation of accounts, establishment of internal control mechanisms;
- As necessary, liaise with auditors and ensures follow-up to their recommendations;
- Manage and monitor project risks and take decisions on possible actions if required; update the status of these risks by maintaining the Project Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log;
- Prepare the Project Quarterly Progress Reports (progress against planned activities, update on Risks and Issues, expenditures);
- Prepare Annual Review Reports;
- Prepares and submits in a timely manner, other programmatic and financial reports required by the Programme Unit, Operations and the Project Board, and ensures that the reports meet corporate quality standards;
- Be proactive and work closely with the Head of Unit in advising response to opportunities for resource mobilization and fundraising, including conceptualization and drafting of proposals;
- Support UNDP Country Office in communications with relevant bureaus at Headquarter levels;
- Other duties, necessary for successful implementation of the project, as required by the supervisor

*Project Closure*

- Prepare Final Project Review Reports to be submitted to UNDP and the Project Board;
- Identify follow-up actions and submit them for consideration of UNDP;
- Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;
- Prepare final Combined Delivery Report for signature by UNDP and the National Project Coordinator;
- Other duties, necessary for successful closure of the project, as required by the supervisor.

*Knowledge Management*

- Document lessons learned and best practices in mainstreaming biodiversity into national policies;
- Access global best practices, share them with other local and international stakeholders and ensure their incorporation into the project implementation and design process;
- Provide any other necessary support in coaching, guidance for the project staff that will boost their capacity to deliver results.

**IV. QUALIFICATIONS REQUIREMENTS**

|                        |  |
|------------------------|--|
| Education:             | Advanced university degree in environmental management/studies/sciences or a related field in social sciences, international development/management, and/or earth studies;   |
| Experience:            | A minimum of five years of experience in development and/or environmental protection/management nationally/internationally. International experience in biodiversity conservation is an asset.   |
| Language Requirements: | Excellent command of spoken and written English, Uzbek and Russian are essential.  |
| Others:                | <ul style="list-style-type: none"> <li>• Excellent managerial and leadership, communications and presentation skills;</li> <li>• Good analytical and writing skills;</li> <li>• Ability to use modern technology as a tool in every-day work;</li> <li>• Demonstrated capacity to develop and implement financial management and reporting systems under challenging circumstances.</li> </ul> |

**V. SIGNATURES- POST DESCRIPTION CERTIFICATION**

|                        |           |      |
|------------------------|-----------|------|
| Supervisor             |           |      |
| Name / Title           | Signature | Date |
| Head of Programme Unit |           |      |
| Name / Title           | Signature | Date |



**UNITED NATIONS DEVELOPMENT PROGRAMME  
TERMS OF REFERENCE**

|   |  |      |
|---|--|------|
| <b>I. JOB INFORMATION</b>   |  |      |
| Job title:  | <b>Administrative/Finance Assistant (Project Assistant)</b>  |      |
| SC range:   | SC-6   |      |
| Project Title/Department:   | Mainstreaming biodiversity into Uzbekistan's oil and gas sector policies and operations  |      |
| Duration of the service:  | 6 month (with possible extension subject to satisfactory performance)  |      |
| Work status:  | Full time  |      |
| Reports To:   | Project Manager  |      |
| <b>II. BACKGROUND INFORMATION</b>   |  |      |
| Under the guidance and direct supervision of Project Manager, the Administrative Finance Assistant provides financial services ensuring high quality, accuracy and consistency of work. The Admin. Finance Assistant works in close collaboration with the Government Counterparts, project, operations, and UNDP Programme's personnel in the Country Office to exchange information and ensure consistent service delivery.   |  |      |
| <b>III. FUNCTIONS / KEY OUTPUTS EXPECTED</b>  |  |      |
| <ul style="list-style-type: none"> <li>• Be responsible for office logistics, travel arrangements as well as recruitment/extension/separation of the project personnel;</li> <li>• Encourage awareness of and promotion of gender equality among project staff and partners;</li> <li>• Based on consultations with Project Manager, UNDP to perform procurement operations in accordance with UNDP rules and procedures</li> <li>• Prepare all financial and administrative documents related to the project implementation in accordance with the UNDP rules and procedures, maintain project's expenditures and commitments shadow budget;</li> <li>• Develop quarterly and annual budget plans for recruitment of personnel; maintain financial records and monitoring systems to record and reconcile expenditures, balances, payments and other data for day-to-day transaction and reports;</li> <li>• Advise and assist Project staff, experts and consultants on all respects of allowances, salary advances, travel claims and other financial and administrative matters, and calculate and authorize payments due for claims and services;</li> <li>• Prepare detailed cost estimates and participates in budget analysis and projections as required to handle all financial operations of the project office, make cash payments and reconcile all accounts in required time frame;</li> <li>• Maintain, update and transmit inventory records of non-expendable equipment in accordance with UNDP rules;</li> <li>• Perform cash custodian's duties being primarily responsible for project's cash disbursements and maintain project's petty cash book and payrolls related to the regional offices;</li> <li>• Ensure leave monitoring of project staff, check the accuracy and proper completion of monthly leave reports;</li> <li>• Analyze the potential problems concerning administrative-financial issues and take respective measures to provide adequate project's resources in time for implementation of the project activities;</li> <li>• Define the cost-effective measures for optimal use of resources of the project;</li> <li>• Ensure full compliance of admin. and financial processes and financial records with UNDP rules, regulations, policies and strategies.</li> </ul> |  |      |
| <b>IV. QUALIFICATION REQUIREMENTS</b>   |  |      |
| Education:  | Secondary specialized education; University degree would be desirable, but it is not a requirement.  |      |
| Experience:   | At least 2-3 years of relevant work experience;  |      |
| Language Requirements:  | Proficiency in English, Uzbek, Russian   |      |
| Others:   | Ability to use information and communication technology as a tool and resource;<br>Understanding of development issues, human rights (including women's rights), basic gender concepts and gender issues in the country;<br>Knowledge of and experience in gender mainstreaming is an asset;<br>Experience in handling web-based management systems. |      |
| UNDP is an equal opportunity employer. Qualified female candidates, people with disabilities, and minorities are highly encouraged to apply. UNDP Balance in Manage Policy promotes achievement of gender balance among its staff at all levels by 2010.  |  |      |
| <b>V. SIGNATURES- POST DESCRIPTION CERTIFICATION</b>  |  |      |
| Supervisor<br>Name / Title  | Signature  | Date |
| Head of Programme Unit<br>Name / Title  | Signature  | Date |



**UNITED NATIONS DEVELOPMENT PROGRAMME  
TERMS OF REFERENCE / SERVICE CONTRACT**

**I. JOB INFORMATION**

|                          |   |
|--------------------------|---|
| Job title:               | <b>Chief Biodiversity and Ecosystem Management Expert (Task Manager)</b>                |
| SC range:                | SC-8  |
| Project Title:           | Mainstreaming biodiversity into Uzbekistan's oil and gas sector policies and operations |
| Duration of the service: | 6 month (with possible extension subject to satisfactory performance)                   |
| Work status:             | Full time   |
| Reports To:              | Project Manager   |

**II. BACKGROUND INFORMATION**

The steppe areas of Uzbekistan are the one of the last remaining samples of the globally threatened dry temperate grassland biomes. The primary threat facing the Uzbek steppes is oil-and-gas exploration that is increasingly being targeted there. While the country has in place a network of protected areas, it cannot provide security to the vast swathes of steppes that continue to lie outside the system. The long-term goal to which the project will contribute is that all ongoing and future oil-and-gas operations in Uzbekistan minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The project objective is to mainstream biodiversity conservation into Uzbekistan's oil-and-gas policies and operations by demonstrating this in the Ustyurt Plateau.

**III. FUNCTIONS / KEY OUTPUTS EXPECTED**

Under the overall supervision of Project Manager the **Chief Biodiversity and Ecosystem Management Expert** will bear overall responsibility for technical implementation of the project activities related to **biodiversity and ecosystem management** and s/he will undertake the following duties and responsibilities:

**Output 1.1** In consultation with all stakeholders; identify the modifications needed to the legislative/ regulatory framework for environment and biodiversity conservation. Take the lead on providing technical justification/ explanation for proposed amendments during discussions/ consultations with key government staff. Develop terms of reference for preparing changes in the normative documents.

**Output 1.2** Lead the work on collecting biodiversity information that is to be fed-in to the plans and maps; develop the terms of reference for organizations that will carry out the biodiversity inventory and develop protective obligations; supervise the work on implementation of biodiversity inventory. Work closely with the state research institutions on biodiversity (institute of zoology, botany, geology and biological sciences) to compile baseline information on biodiversity of the region. Prepare inventory of biodiversity and maps of distributions of species of high importance. Based on this data, identify and prioritize various zones for avoidance of exploration, permitted exploration but with mitigation measures and areas where offset or restoration schemes may be needed.

**Output 1.3** Identify amendments to environmental legislations which make EIA mandatory, and provide guidelines for undertaking an EIA with Biodiversity baseline surveys and impact assessment obligatory into the development and implementation of Oil and Gas projects.

**Output 1.4** Together with the Oil and Gas Expert and International Expert on Mainstreaming Biodiversity, take the lead on developing the different training modules within the training program. Oversee aspects such as: content development, selection of trainees, selection of trainers.

**Output 2.1** Assist and take lead with the International Expert (Biodiversity Conservation in the Oil and Gas Sector) on the preparation of the guidebook for oil-and-gas biodiversity conservation approaches in Uzbek specific ecosystems; establish partnerships with a sister UNDP-GEF project in Russia; and finalize and provide the guidebook to oil-and-gas stakeholders and Government.

**Output 2.2** Lead in identifying and proposing biodiversity risk mitigation measures for the active oil-and-gas extraction site in Shakhpahty, prepare and finalize the implementation plan; prepare training of the project personnel on the implementation of the newly developed measures; provide technical assistance for actual implementation of risk mitigation measures; consult and implement biodiversity monitoring plan and mechanisms.

**Output 2.3** Take the lead on suggesting avoidance and mitigation technologies in the design of the one prospective major oil-and-gas development on the Ustyurt Plateau and assist the oil-and gas sector in implementation; coordinate participation of cross-sectoral agencies in the design of investment projects; design and facilitate approval of the biodiversity technologies with the oil-and-gas consortium, to assure that the technologies are integrated into the overall oil-and-gas project documentation; assist in the implementation of the technologies.

**Output 2.4** Assist in the formulation of Biodiversity offset scheme; in quantifying the unavoidable impact; identifying the conservation zone with ecological values equal or exceeding those of the unavoidable net loss; develop conservation action plan at the identified location, implement and secure validation by ecologists.



**Output 2.5** Verify the results of mainstreaming in demonstration areas in cooperation with an independent subcontractor(s); assist in developing a plan for the State Nature Protection Committee & Institutes of Academy of Sciences to regularly monitor the state of biodiversity. Prove success of mainstreaming through comparison with areas not targeted for intervention where business-as-usual prevails.

**Output 2.6** Organize awareness-raising and replication activities: document lessons learned; organize 3 workshops for oil-and-gas industry representatives; assist in preparation and distribution of brochures and awareness raising materials.

#### IV. Qualifications Requirements

##### Education:

- University degree or post graduate qualification in an appropriate subject/s (i.e., ecology, environmental studies/science, natural resource management or a related field).

##### Experience:

- At least 5 years of relevant work experience in projects related to natural resource management.

##### Language Requirements:

- Fluent Russian language skills and at least basic English skills are required (knowledge of Uzbek language would be an advantage).

##### Others:

- The knowledge of UNDP procedures will be an advantage.
- Extensive work experience in projects on nature conservation and resource management.
- Extensive experience in cooperation with administrative counterparts within Uzbekistan is a strong requirement.
- Be capable to work in close cooperation with local stakeholders and coordinate local and international project's team.
- Good knowledge and ability to use IT equipment as a tool to organize project workflow in the most efficient and effective manner

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#### V. Signatures- Post Description Certification

Supervisor

Name / Title

Signature

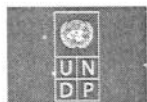
Date

Head of Programme Unit

Name / Title

Signature

Date



### UNITED NATIONS DEVELOPMENT PROGRAMME TERMS OF REFERENCE / SERVICE CONTRACT

#### I. JOB INFORMATION

|                          |   |
|--------------------------|---|
| Job title:               | <b>Chief Expert on the Oil and Gas Sector (Task Manager)</b>                            |
| SC range:                | SC-8  |
| Project Title:           | Mainstreaming biodiversity into Uzbekistan's oil and gas sector policies and operations |
| Duration of the service: | 6 month (with possible extension subject to satisfactory performance)                   |
| Work status:             | Full time   |
| Reports To:              | Project Manager   |

#### II. BACKGROUND INFORMATION

The steppe areas of Uzbekistan are the one of the last remaining samples of the globally threatened dry temperate grassland biomes. The primary threat facing the Uzbek steppes is oil-and-gas exploration that is increasingly being targeted there. While the country has in place a network of protected areas, it cannot provide security to the vast swathes of steppes that continue to lie outside the system. The long-term goal to which the project will contribute is that all ongoing and future oil-and-gas operations in Uzbekistan minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The project objective is to mainstream biodiversity conservation into Uzbekistan's oil-and-gas policies and operations by demonstrating this in the Ustyurt Plateau.

#### III. FUNCTIONS / KEY OUTPUTS EXPECTED

Under the overall supervision of Project Manager the **Chief Expert on the Oil and Gas Sector (Task Manager)** will bear overall responsibility for technical implementation of the project activities related to **oil and gas sector** and s/he will undertake the following duties and responsibilities:

**Output 1.1** Identify and compile legislations relevant to Oil and Gas industry in Uzbekistan. Work closely with all stakeholders and especially with the Specialist on Environmental Laws of Uzbekistan, to identify the modifications needed to the legislative/ regulatory framework for environment and biodiversity conservation. Develop terms of reference for preparing changes in the normative documents in consultation with the Specialist on Environmental Laws of Uzbekistan.

**Output 1.2** Assist the Chief Biodiversity and Ecosystem Management Expert by providing information on existing oil and gas projects and future proposals to facilitate identification of sites for application of the “avoid-reduce-remedy-offset” approach.

**Output 1.3** Coordinate the communication between the oil-and-gas sector and other stakeholders of the project. Assist other experts by providing necessary information on Oil and Gas extraction process, its impacts on the environment and mitigation measures to facilitate the proposition of changes in EIA documentation and legislations.

**Output 1.4** Together with the Chief Biodiversity and Ecosystem Management Expert (national), the Specialist on Biodiversity Mainstreaming in the Energy Sector (international) and the Specialist on Environmental Laws of Uzbekistan (national), contribute to developing the different training modules within the training program and specifically take the lead on ensuring that the training modules appropriately address sector specific problems and issues. Assist in aspects such as: content development, selection of trainees, selection of trainers.

**Output 2.1** Assist the international Specialist on Biodiversity Mainstreaming in the Energy Sector in the preparation of the guidebook for mainstreaming biodiversity conservation approaches in the oil-and-gas sector, specifically tailored to Uzbek ecosystems. Provide relevant information needed by the other national and international experts on Uzbek oil and gas sector. Liaise with the government and other stakeholders of the project.

**Output 2.2** Assist other experts in implementation of biodiversity risk mitigation measures for the active oil-and-gas extraction site in Shakhpahty, and provide technical assistance for actual implementation of risk mitigation measures.

**Output 2.3** Assist in implementation of avoidance and mitigation technologies in the prospective major oil-and-gas development on the Ustyurt Plateau; facilitate approval of the biodiversity technologies with the oil-and-gas consortium, to assure that the technologies are integrated into the overall oil-and-gas project documentation.

**Output 2.4** Assist in the formulation of the Biodiversity Offset scheme; build confidence among the industry on relevance of the Offset scheme; assist in developing conservation action plan with the industry and other experts at the identified location.

**Output 2.5** Prove success of mainstreaming through comparison with areas not targeted for intervention where business-as-usual prevails.

**Output 2.6** Assist in organizing awareness-raising and replication activities in the industry: document lessons learned; assist in organizing workshops for oil-and-gas industry representatives; assist in preparation and distribution of brochures and awareness raising materials.

#### IV. Qualifications Requirements

##### Education:

- University degree or post graduate qualification in an appropriate subject/s (i.e., oil and gas technologies, natural resource management or a related field).

##### Experience:

- At least 5 years of relevant work experience in projects related to natural resource management.

##### Language Requirements:

- Fluent Russian language skills and at least basic English skills are required (knowledge of Uzbek language would be an advantage).

##### Others:

- The knowledge of UNDP procedures will be an advantage.
- Extensive work experience in projects on nature conservation and resource management.
- Extensive experience in cooperation with administrative counterparts within Uzbekistan is a strong requirement.
- Be capable to work in close cooperation with local stakeholders and coordinate local and international project's team.
- Good knowledge and ability to use IT equipment as a tool to organize project workflow in the most efficient and effective manner

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#### V. Signatures- Post Description Certification

Supervisor

Name / Title

Signature

Date

Head of Programme Unit

Name / Title

Signature

Date



**UNITED NATIONS DEVELOPMENT PROGRAMME  
TERMS OF REFERENCE / SERVICE CONTRACT**

| I. JOB INFORMATION  |   |
|---|---|
| Job title:  | <b>Driver with own vehicle</b>  |
| SC range:   | SC-2  |
| Project Title/Department:   | Mainstreaming biodiversity into Uzbekistan's oil and gas sector policies and operations |
| Duration of the service:  | 6 month (with possible extension subject to satisfactory performance)                   |
| Work status:  | Full time   |
| Reports To:   | Project Manager   |
| II. BACKGROUND INFORMATION  |   |
| Under the guidance and direct supervision of Project Manager, the Driver provides transportation services to project staff ensuring high quality, accuracy and consistency of work.   |   |
| II. Functions / Key Outputs Expected  |   |
| <i>Operational Functions:</i> <ul style="list-style-type: none"> <li>• Drive own vehicle (with date of production of not earlier than January 2008) for the transport of authorized personnel;</li> <li>• Deliver and collect mail, documents and other items, meet official personnel at the airport and facilitates immigration and custom formalities and make errands for the project as required;</li> <li>• Be responsible for the day-to-day maintenance of the assigned vehicle, checks oil, water, buttery, brakes, tires, etc;</li> <li>• Perform minor repairs and arranges for another repairs;</li> <li>• Ensure that the vehicle is kept clean; log official trips, daily mileage, gas consumption, oil changes, greasing;</li> <li>• Ensure that the steps required by rules and regulations are taken in case of involvement in accident;</li> <li>• Perform other duties, as required by Project Manager;</li> <li>• Perform other duties and responsibilities as required.</li> </ul> |   |
| IV. QUALIFICATION REQUIREMENTS  |   |
| Education:  | Secondary education   |
| Experience:   | At least 1 year of relevant work experience   |
| Language Requirements:  | Proficiency in Uzbek and Russian. Basic knowledge of English                            |
| UNDP is an equal opportunity employer. Qualified female candidates, people with disabilities, and minorities are highly encouraged to apply. UNDP Balance in Manage Policy promotes achievement of gender balance among its staff at all levels by 2010.  |   |
| V. SIGNATURES- POST DESCRIPTION CERTIFICATION   |   |
| Supervisor  |   |
| Name / Title  | Signature   |
|   | Date  |
| Head of Programme Unit  |   |
| Name / Title  | Signature   |
|   | Date  |

**ANNEX 3. TORs FOR PROJECT BOARD AND NPC**

**PROJECT BOARD**

Composition and organization: The Project Board contains three roles, including (1) **an executive**: individual representing the project ownership to chair the group; (2) **senior supplier**: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project; and (3) **senior beneficiary**: individual or group of individuals representing the interests of those who will ultimately benefit from the project.

**I. Specific responsibilities**

1. Initiating a project:

- Agree on PM's responsibilities, as well as the responsibilities of the other members of the Project Management team;

- Delegate any Project Assurance function as appropriate;
- Review and appraise detailed Project Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plan.

#### 2. Running a project:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

#### 3. Closing a project:

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions to be submitted to the Outcome Board;
- Commission project evaluation (only when required by partnership agreement)
- Notify operational completion of the project to the Outcome Board.

### II. Executive

The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the Project Manager
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Outcome Board and relevant stakeholders about project progress
- Organise and chair Project Board meetings

### III. Senior Beneficiary

The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. This role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure the expected output(s) and related activities of the project are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected project output(s)
- Prioritise and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are



progressing towards that target

- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored

#### IV. Senior Supplier

The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

The supplier assurance role responsibilities are to:

- Advise on the selection of strategy, design and methods to carry out project activities
- Ensure that any standards defined for the project are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a supplier perspective

Monitor any risks in the implementation aspects of the project.

#### NATIONAL PROJECT COORDINATOR – EXECUTIVE

The National Project Coordinator (NPC) / Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

**Specific Responsibilities** (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans
- Approve and sign basic project and financial documents and other plans as required for the Project Manager
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Outcome Board and relevant stakeholders about project progress
- Organize and chair Project Board meetings

The Executive is responsible for overall assurance of the project. If the project warrants it, the Executive may delegate some responsibility for the project assurance functions.

The following documents shall be signed by the NPC:

**1. Administrative and financial documents:**

- Project revisions (if the project total budget or duration of the project is being changed)
- Combined Delivery Reports
- Transfer of Assets Form
- Delegation of signature for some day-to-day payments

**2. Monitoring and evaluation of the project**

- Minutes of the Project Board meetings
- Annual reports
- Final review report