

Government of the Kyrgyz Republic

United Nations Development Program

Environment for Sustainable Development

Outline:

The main Program Objective is to support and to strengthen capacity of civil society and state institutions of the Kyrgyz Republic on enhancing environment management system through implementation of Country Development Strategy:

- 1) promote partnership and interagency and inter-sectoral mechanisms of cooperation to achieve environment security and sustainability in the frame of Country Development Strategy (CDS);
- 2) introduce sustainable development principles into long-term and sectoral country development policies at national and local levels;
- 3) encourage market and new financial mechanisms on efficient implementation of the commitments under Global Environmental Conventions for the benefit of the Kyrgyz Republic.

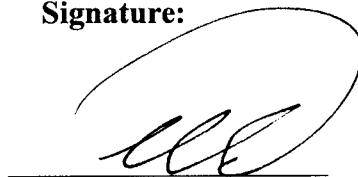
On behalf of:

Signature:

Date:

Full Name/Post:

Government of
the Kyrgyz
Republic



18.06.07

**Davletkeldiev A.A.
Director of SAEPF**

UNDP



3 Aug 07

**Neal Walker
Resident Representative**

Kyrgyz Republic

The Kyrgyz Republic

UNDAF Outcome:

Poor and vulnerable groups have increased and more equitable access to quality basic social services and benefits, in a strengthened pro-poor policy environment

Expected Country Programme Outcome:

Sustainable development principles integrated into poverty reduction policies and programmes

Expected Country Programme Action Plan (CPAP) Outputs:

- ◆ The Coordination Body for Sustainable Development (CBSD) is able to design and implement priority environmental management and sustainable development initiatives
- ◆ Expanded collaboration between key stakeholders in the area of environmental management for sustainable development on national and sub-regional levels
- ◆ Increased institutional capacity to implement international conventions and agreements
- ◆ New financial mechanisms and partnerships are introduced for the environmental protection

Implementing partner:

State Agency on Environment Protection and Forestry under the Government of the Kyrgyz Republic

Other partners:

Capacity 2015, GEF, GEF/SGP, UNEP, ADB, EEC, CIDA, GM, CAREC, GTZ

Program period: 2007-2010
Program Component: Environment for Sustainable Development
Program title: Environmental Protection for Sustainable Development
Program number:
Program duration: 2007-2010
Management arrangement: National Execution

Total Budget	1,200,000 USD
Allocated resources:	
• Regular:	1,200,000 USD
• Other (unfunded):	695,000 USD
• In-kind contributions (Government):	40,000 USD

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PART 1: SITUATION ANALYSIS

Low level of economic development (according to the data provided by National Statistic Committee of the Kyrgyz Republic, in 2005 GDP per capita was equal to USD 473) and high poverty level still prevent people from fair access to natural resources and safe livelihood sources.

Natural resources of Kyrgyzstan are of limited use for fast and ecologically safe development. The current mode of exploitation of natural resources is ineffective for maintenance of necessary economic growth. Besides it is dangerous as could bring about resource-free and unsuitable habitat for future generations.

Natural eco-systems of Kyrgyzstan, despite their significant degradation, particularly where human activity is rather high, still possess their ability to independently regulate the process of renewal of bio resources and ensure environmental balance. At the same time, their continued use in the current mode can result in the loss of the above ability to ensure self-regulation.

Negative environmental impact brought about by basic sectors of economy is aggravated by inefficient practice of natural resource management and irrational exploitation. Significant extent of arable land is lost as a result of salinization, water logging and obvious decrease in fertility due to retrograde agricultural practices and destruction of irrigating systems. Energy sector, including hydro-energy, mining industry, industrial production, communal-household activities and the resulting waste also influence negatively the remaining land and other natural resources and environment as a whole. At the same time, even implementation of some large projects aimed at improvement of infrastructure of economic sectors, demonstration projects on introduction of sustainable practices, and capacity building of environment and natural resource management do not exercise direct positive impact on environment; they at least promote reduction in the negative impact.

If the current attitudes and practices in the use of natural resources were not changed, the country would experience even larger scale of environmental response in the form of inability of the eco-systems to renew bio resources, natural disasters, and epizootic and epidemic threats.

The basic principles of natural resource and environmental management are laid down in the Constitution of the Kyrgyz Republic. Based on those principles 26 main environmental laws and more than 150 regulatory legal acts have been developed that ensure natural resource and environment management and regulates legal relations between natural-resource users and the state.

Acting legislation regulates protection and use of all types of resources: land, water, air, biodiversity and mineral resources, and ensures procedures and mechanisms for their management, like: basic norms and rules for using resources, including norms and rules for making payments charged for natural-resource use and environmental pollution, environmental monitoring, impact assessment, environmental standards, and ecological expertise. However, most of the legislation is of a framework nature and often times well-written law provisions have no sufficient financial and institutional backup thus do not ensure efficient enforcement.

A considerable number of environmental sectoral strategies, concepts and programmes have been developed in accordance with the priorities of the country's

development and international conventions Kyrgyzstan has joined. Kyrgyzstan has signed 11 international conventions and 3 protocols in the area of environmental management. The Kyrgyz Government in its effort to improve environmental and natural resources management periodically carries out reforms in the structures and functions of responsible agencies. In 2005, the main Government body responsible for the environmental protection and natural resources management in the country was downgraded from the ministry to an agency, with less decision-making and oversight authority.

National development strategies such as “Comprehensive Development Framework of the Kyrgyz Republic for 2001 - 2010” (CDF), the National Poverty Reduction Strategy (NPRS) 2001-2005 consider environmental protection to a certain extent, but do not provide a concrete plan of action backed by budgets. New mid-term Country Development Strategy for 2007-2010 is adopted but having remaining financing to the environment programs low investment level to this area can be predicted.

The Government sector includes central, regional and local government bodies, agencies, communities and government institutions and their activities include regulatory, control, research, education and information and other services provided to society and financed by the state budget.

Today the State Agency on Environmental Protection and Forestry under the Government of the Kyrgyz Republic (SAEPF) is the leading environmental agency responsible for the state policy and coordination other government agencies’ activities on the environmental management.

Other government agencies performing state executing, regulatory and supervisory functions in nature resources and environmental management are:

- Ministry of Economic Development and Trade;
- Ministry of Finance;
- Ministry of Foreign Affairs;
- Ministry of Agriculture, Water Resources and Processing Industry;
- Ministry of Emergency Situations;
- Ministry of Health;
- Ministry of Industry, Energy and Oil Resources;
- State Register;
- State Agency on Geology and Mineral Resources;
- State Agency on Antimonopoly Policy;
- State Inspection on Energy and Gas;
- Municipal and other local self-government bodies responsible for regulating the use of natural resources under their jurisdiction.

Environmental NGOs actively work in the country, which influence the decision-making for sustainable environmental and natural resources management.

In general, it is possible to note, that the existing scheme of financing of nature protection activities is not effective, for many reasons. First of all, many ministries and departments are made responsible for nature protection actions; there is no vision of the whole situation and problems the country is facing; and there is no uniform coordination, therefore narrow departmental interests prevail. In this connection, it is necessary to create a coordinating body, which should develop and approve action plan on implementing commitments under international conventions and agreements, identify priorities on environment and sustainable development. There is a hope that newly created National Council on Strategic Development of Kyrgyzstan may play this role.

International organizations, implementing programmes and projects make considerable contribution to promoting the procedures and mechanisms of sustainable natural resources and environmental management at local and national levels. To date, over USD 420 millions¹ have been invested by donors for various international projects in this field. It should be noted that to date, most environmental programmes and projects that exist in the country have been financed by donors, therefore a detailed review on their activities throughout 15 years and more effective coordination by the Government is needed. One of the first steps on this way was developing Assessment of environment and natural resources for Joint Country Support Strategy by UNDP under technical support of ADB.

In 2005-2007 SAEPF under support of UNDP has implemented a 2-year phase of “Capacity Building and Strengthening Environmental Governance for Sustainable Development” project, as part of which a dialogue was initiated between various stakeholder groups using the interagency and inter-sectoral approach for improvement of environmental management. The project output was contribution into capacity building of civil society representatives, mass media and state institutions on exchange of information in environment (supporting web site of SAEPF and training its staff, wide discussion of environmental issues in the forums of web-portal CARNet), promote and integrate MDG, strategies and procedures of sustainable development in the policies and development programs at the national and local levels. An understanding was reached of the need to improve policy in the field of environmental management at all levels (Parliament, Government, civil society, business sector) which was reflected in development of a new Concept of environment safety and inclusion of a chapter on Environment Sustainability in the medium-term Country Development Strategy till 2010. A portfolio of environmental Global Environment Facility (GEF) and other donor projects has been prepared and assessment of applicability of internal resources mobilization mechanisms was carried out through external debt swap for sustainable development process.

In April 2007 independent evaluation of the “Capacity Building and Strengthening Environmental Governance for Sustainable Development” project has been carried out with active participation of SAEPF KR and other partners to review the project outcomes and make corresponding changes and amendments into future project activity. This evaluation showed that 2 years was insufficient for forming of acceptable perception of sustainable development by civil society and decision-

¹ Kyrgyzstan Environment Assessment for the Donors’ Joint Country Support Strategy, 2006.

makers. To some extent it was due to unstable political situation in the country, changes in the government structure, and lowered status of the responsible public authority.

Outcomes of a 2-year-project have been positively evaluated by independent international and national experts, which served as justification for this program document. Besides that, program approach of the project was acknowledged as successful and recommended as an approach for the next stage of support provided by UNDP to civil sector and state institutions for future promoting nature protection policies on environment and sustainable development.

PART 2: PROJECT IMPLEMENTATION STRATEGY

Strengthening inter-agency and inter-sector mechanisms to promote environmental security and sustainable development is a basis for a new “Environment for sustainable development” Programme within CPAP and implementation of Country Development Strategy till 2010. Institutional capacity building in environment and nature management becomes even more important for transition from maintenance of regional and national environmental security, efficient actions of International Commission on Sustainable Development that will commence its activities in Kyrgyzstan from 2007 till 2010.

This will require even more efforts in coordination and approval of the actions by all branches of power, wider and more objective involvement of civil society and private sector, effective interaction and partnership of the Programmes within CPAP and with other donor organizations and development agencies. It is necessary to adjust best practices on mobilizing external and internal resources to local conditions. All this can be implemented only with flexible program approach, fully and efficiently using previous experience and capacity built.

In April 2007 the Government of the Kyrgyz Republic approved Country Development Strategy (CDS) to 2006-2010 where Environmental Security was set as one of the priorities for country development. Due to this the Programme will support implementation of Environmental Security Section of CDS by applying Strategic Environment Assessment (SEA), evaluating capacity and reserves of renewable as well as non renewable resources, other aspects of natural resources and environment management that ensure sustainable country development.

In April 2007 National Council on Strategic Planning was established by the Decree of the President of the Kyrgyz Republic through which Programme plans to promote Environmental Security issues and Sustainable Development principles. Therefore, additional support on strengthening interagency and cross-sectoral mechanisms on promoting environmental sustainability and its priority for development is needed. This will require many efforts in coordinating actions with all branches of power, wide and objective involvement of civil society and private sector, efficient interaction and partnership with Programmes in the frame of CPAP, other donor organizations, development agencies. The best practices on mobilizing internal and external resources should be adjusted to local conditions.

The Programme will be based on the CDS priorities and, hence, its main tasks are connected with the current activity of UNDP in Kyrgyzstan, in particular with UNDP Country Program Action Plan (CPAP), devoted to a complex portfolio of projects,

including environment management, poverty reduction, social and economic development and governance reform.

Encouraging integrated approach, including support of NGO sector and gender development, will reinforce a dialogue between the stakeholders and create more effective partnership at the central and local levels. A very important factor of Program efficiency is improved cooperation between various programs and on-going projects in the area.

As it was noted above in Part I “Situation Analysis”, much is needed to be done in enhancing legal basis for sustainable environment and natural resources management. Since law enforcement activity is one of the key issues which require new approaches.

The Kyrgyz Republic participates in many international and regional processes. The Programme will support their implementation at national level.

The purpose of the new Programme is to provide assistance to state institutions and strengthen capacity of civil society in the Kyrgyz Republic to improve environment management system in the Kyrgyz Republic for sustainable development.

The purpose will be achieved through:

- 1) promotion of partnership and mechanisms on interagency and cross-sectoral cooperation to achieve environmental security and sustainability within CDS;
- 2) integration of sustainable development principles into long-term and sector development policies of country at national and local levels;
- 3) ensuring promotion of market and financial mechanisms for efficient implementation of country’s commitments under Global Environmental Conventions for the benefits of the Kyrgyz Republic.

PART 3: RESULTS AND RESOURCES FRAMEWORKS

Considering priority of environmental security in CDS till 2010 and ensuring environmental sustainability in Joint Country Support Strategy, taking into account lessons learnt from implementation of 2-year cycle of UNDP Environment project, the Environment Programme for 2007-2010 will be focused on the following four outputs:

2.9.1 The Coordination Body for Sustainable Development (CBSD) is able to design and implement priority environmental management and sustainable development initiatives

2.9.2 Expanded collaboration between key stakeholders in the area of environmental management for sustainable development on national and sub-regional levels

2.9.3 Increased institutional capacity to implement international conventions and agreements

2.9.4 New financial mechanisms and partnerships are introduced for the environmental protection

SAEPF KR will provide in kind contributions at the amount of USD 40, 000 for 3,5 years.

Within 3,5 years, between 2007 and 2010 UNDP will provide financial support from its core and mobilized resources at the amount of 1,200 000 USD and more then USD 695,000 accordingly for implementing of the Programme according to the budget (Annex 1).

PART 4: MANAGERIAL ARRANGEMENTS

The programme will be nationally executed (NEX) and will be implemented in close partnership with the SAEPF KR. The Programme structure (scheme 1) shows the management mode and Programme execution.

Programme Board (PB)

Programme Board is the highest coordination body of the Programme. The Programme will benefit from efficient activity of PB in achievement of paramount objectives. Accurate split of function between PB and Programme Manager (in compliance with Terms of References (ToR)) will encourage timely achievement of Programme outputs as would be specified in approved annual workplans. PB will be coordinating the Programme through regular meetings, hearings of reports of Programme Manager and approving annual work plans. PB shall determine Programme policy; conduct monitoring of the projects and their efficient implementation.

PB will consist of representatives of SAEPF KR and other state institutions, with which there are separate projects under the UNDP Environment Programme, civil society and UNDP CO in Kyrgyzstan. Quantity of PB shall not exceed 7 members. PB meetings shall be held regularly not less than once in six months. The Chair of PB shall be the Director of SAEPF. UNDP CO shall have representative in the person of Deputy Resident Representative. PB activity shall be carried out based on ToR (Annex 2).

Programme Assurance

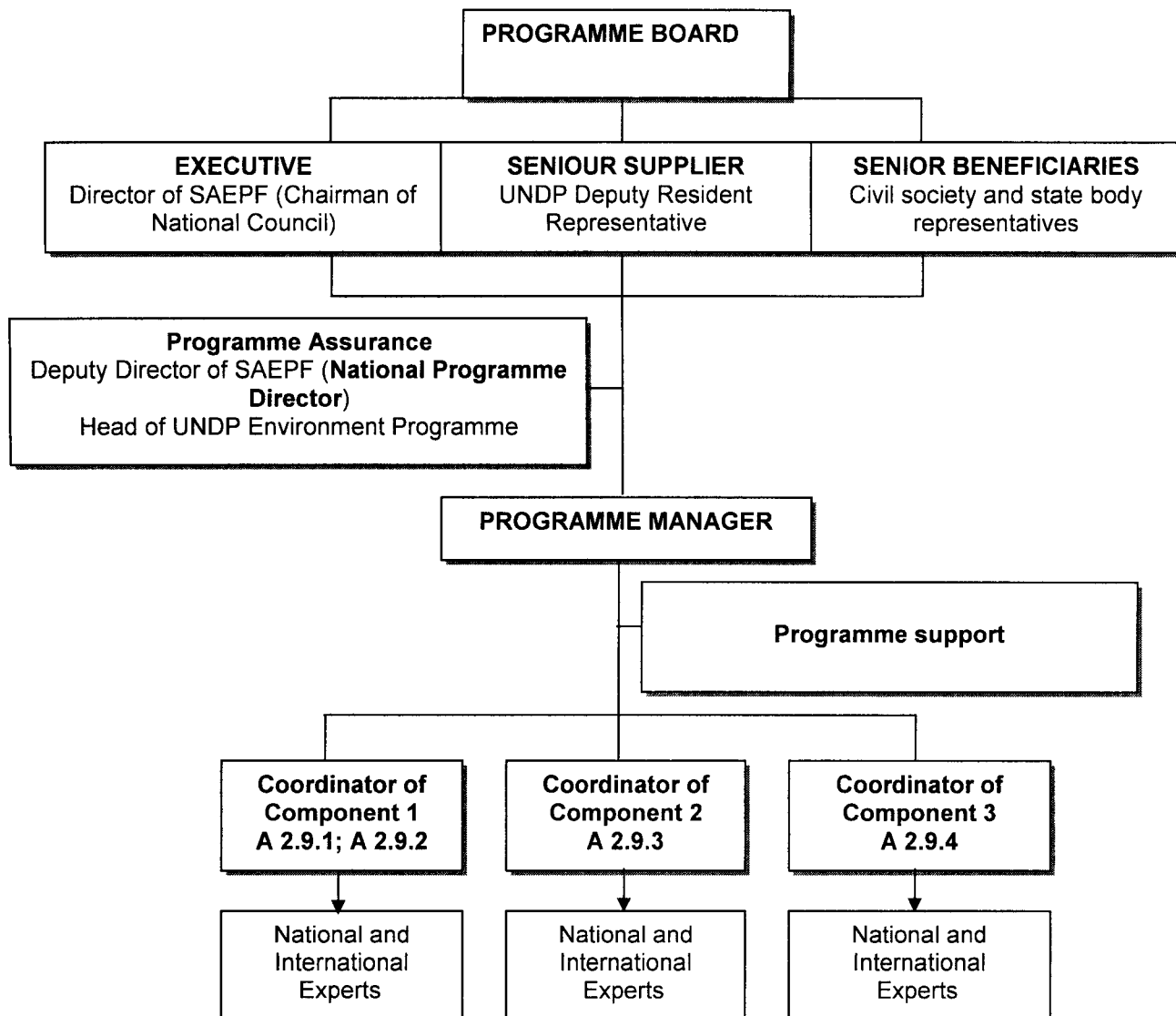
Programme assurance shall be made by the Deputy Director of SAEPF and Head of UNDP Environment Programme for Sustainable Development in Kyrgyzstan. Director of SAEPF shall appoint the Deputy Director of SAEPF as a National Programme Director (NPD). NPD shall coordinate Annual and Quarter Programme work plans, and reports with UNDP. More detailed functions are provided in the Terms of Reference (see Annex 3).

Programme Manager (PM)

Programme Manager shall be part of management structure and shall be liable for daily management and administration of resources (including staff and budget) in compliance with Terms of Reference (Annex 4).

PM will have authority and be responsible for implementation of Work Plan and submission of Quarter Reports to NPD. Moreover, PM shall lead activities of the Programme Management Unit.

Scheme 1. Programme Structure



Programme Management Unit

Staff of the Programme Management Unit shall include three permanent Components Coordinators in compliance with the Programme structure (scheme.1), ensuring achievement of Programme components outputs in accordance with the Terms of References (Annexes 5-7).

Operations support to the Programme will be carried out by the Administrative Financial Unit of the Programme (see ToR in Annexes 8-9). Besides that, administrative and financial support will be provided by UNDP CO.

When necessary, the Programme will hire long and short-term international and local experts. Terms of References developed by UNDP will define functions and expected outputs in detail. Principal staff will be hired and experts will be hired in compliance with UNDP rules and procedures.

PART 5: MONITORING & EVALUATION

Main purpose of the project monitoring is to ensure systematic and deliberate assessment of the project progress. Programme monitoring will be conducted through regular meetings of the Programme Board and Tripartite Review Meetings in accordance with established UNDP procedures. Upon project completion, final report will be prepared to evaluate the project impact and lessons learnt. The project will be subject to planned project audit to be conducted in accordance with the UNDP rules and procedures.

At the inception workshop and in the inception report, the project will set baseline information and identify a comprehensive monitoring and evaluation program and indicators. Programme progress will be monitored by measuring the progress in realization of the Programme outputs. Specific indicators of each output will be adjusted after the baseline survey during the project's first quarter. This monitoring will be ongoing, involving data collection and assessment of the Programme activities implementation and will involve key project staff and UNDP staff and counterparts visiting project meetings on regular basis and their feedbacks will be considered to review operations and implementation and assessing whether new governmental priorities require a shift in the project priorities. Such meetings will allow parties to take stock and to troubleshoot any problems pertaining to the programme in a timely fashion to ensure smooth implementation of programme activities. The project will document the lessons learned, and make it available to stakeholders over the worldwide web.

Periodical monitoring will be undertaken by the UNDP-CO through the provision of quarterly reports from the PM. Furthermore, specific meetings can be scheduled between pertinent stakeholders as deemed appropriate and relevant.

An independent final outcome evaluation will take place three months prior to the final Programme Board meeting, and will focus on the effectiveness, efficiency and timeliness of programme implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about programme design, implementation and management. The Programme outcome will be evaluated by measuring progress indicators and parameters as was reflected in the CPAP. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities (i.e. Strategy of Programme coming-out).

PART 6: LEGAL CONTEXT

1. Standard Basic Assistance Agreement

This Programme Document is the instrument as referred to in Article 1 of the Standard Basic Assistance Agreement between the Government of the Kyrgyz Republic and the United Nations Development Programme (Referred hereinafter as Parties), signed by September 14th, 1992.

The Parties may not change the Programme structure, create or rearrange Programme staff, hire or fire its personnel unilaterally.

The Programme document can be modified provided that other signing parties do not object to the proposed changes. The following types of revisions may be made to this Programme Document:

- Revisions in, or addition of, any of the annexes to the Programme document;
- Revisions that do not involve significant changes in the main objectives, outputs or activities of the Programme, but are caused by the rearrangement of already agreed to revisions, or by cost increases due to inflation;
- Mandatory annual revisions that re-phase the delivery of agreed outputs of increased expert or other costs due to inflation or take into account the executing agency's expenditure flexibility.

2. UNDP Country Office Support

The UNDP Country Office may provide support services at the request of the Government through its Implementing Partner Agent as described below. The UNDP Country Office may offer assistance with reporting requirements and direct payment. In providing such support services, the UNDP Country Office will ensure that the capacity of the Government Agencies is strengthened to carry out such activities directly. In addition, the UNDP Country Office may provide the following support services for implementation activities at the request of the Government:

- Identification and assistance with and/or recruitment of project and programme personnel;
- Identification and facilitation of training activities, including fellowships, short-term training and study tours;
- Procurement of goods and services; and
- Access to UNDP-managed global information systems, the network of UNDP country offices and specialised systems containing operations information, including rosters of consultants and development service providers.

Procurement of goods and services and the recruitment of programme personnel will be conducted in accordance with UNDP rules and regulations. The relevant provisions of the Standard Basic Assistance Agreement between the Government of Kyrgyzstan and the UNDP, including the provision of liability and privileges and immunities, shall apply to the provision of such support services. The Government will retain overall responsibility for nationally executed programme through its Implementing Partner.

Any claim or dispute arising under or in connection with the provision of support services by the UNDP Country Office in accordance with this letter will be handled pursuant to the relevant provisions of the Standard Basic Assistance Agreement.