



UNDP Project Document

UNDP-GEF Medium-Size Project (MSP)

**Government of Kyrgyz Republic
United Nations Development Programme**

Ministry of Finance of Kyrgyz Republic

PIMS 3726 Capacity Building for Improved National Financing of Global Environmental Management in Kyrgyzstan

Kyrgyzstan's participation as a member of the three Rio Conventions provides access to resources for improving environmental management that will yield global environmental benefits. The aim of this project is to assist Kyrgyzstan in protecting its environmental resources and to prevent further degradation by initiating a process of environmental fiscal reform. At the international level, this project will also help meet global environmental objectives by improving the capacities to conserve biodiversity, mitigate and adapt to climatic changes, and reduce land degradation. This project will initiate and demonstrate the effective and efficient reform of targeted fiscal measures for environmental protection and management. Given that environmental fiscal reform is a complex and wide reaching process, affecting and affected by broader reforms in public finance management, this project is narrowly focused on addressing fiscal instruments for collecting, managing and allocating revenues from fines for environmental degradation. There are three main project outcomes. The first is the development of a tax instrument for controlling and managing industrial pollution that significantly degrades land and biodiversity-rich ecosystems and habitats, as well as contributes to climate change through atmospheric pollution. The second outcome serves to ensure the institutional (largely political and financial) sustainability of the project by developing a clear, transparent and manageable strategy and guidelines for fiscal management of resources for environmental protection and natural resource management. The third outcome focuses on strengthening the human and institutional capacities for assessing, calculating and collecting fines for industrial pollution.

SIGNATURE PAGE

Country: Kyrgyz Republic

UNDAF Outcome(s)/Indicator(s): 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 Outcome(s)/Indicator (s) CP A 2.9: Sustainable development principles integrated into poverty reduction policies and programmes

Expected Output(s)/Indicator(s) CPAP: Programme Component 1. Poverty Reduction (4.6., 4.7., 4.8.) Programme Component 3. Environment Protection for Sustainable Development (4.25., 4.26., 4.27.,4.28.)

Implementing partner: State Agency for Environmental Protection and Forestry

Other Partners: Ministry of Economy and Finance

Ministry of Agriculture, Water Resources and Processing Industry
Ministry of Economic Development, Industry and Trade

Programme Period: 2008 – 2011
Programme Component: Environment Protection for Sustainable Development
Project Title: Capacity Building for Improved National Financing of Global Environmental Management in Kyrgyzstan
Project ID: 00062983
Project Duration: 2008-2011
Management Arrangement: NEX

Total budget GEF: USD 645, 000.00
Allocated resources:
• Government USD 180, 000.00
• GEF USD 425, 000.00
• Other:
 ○ IA USD 40, 000.00
 ○ Donor _____
 ○ Donor _____
• In kind contributions _____



On behalf of:	Signature:	Date:	Name/Title:
Government		<u>5/12/08</u>	Arstanbek Davletkeldiev/ Director of the State Agency for Environmental Protection and Forestry
UNDP		<u>5/12/08</u>	Neal Walker/ Resident Representative

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Acronyms

ADB	Asian Development Bank
APRs	Annual Progress Report
CBD	United Nations Convention on Biological Diversity
CCD	United Nations Convention to Combat Desertification and Drought
DFID	United Kingdom's Department for International Development
EPNRD	Environmental pollution and natural resource degradation
EIA	Environmental Impact Assessment
EFR	Environmental Fiscal Reforms
FCCC	United Nations Framework Convention on Climate Change
FEPFD	Republic Fund of Environmental Protection and Forest Development
GEF	Global Environment Facility
GoKR	Government of the Kyrgyz Republic
GSAC	Government Structural Adjustment Credit
GTAC	Governance Technical Assistance Credit
MAWRPI	Ministry of Agriculture, Water Resources and Processing Industry
MF	Ministry of Finance
MSP	Medium-Size Project
NPD	National Project Director
NRMP	Natural Resource Mobilization Strategy
PB	Project Board
PMU	Project Management Unit
PIRs	Project Implementation Review
SAEPF	State Agency for Environmental Protection and Forestry
UNDP	United Nations Development Programme
UNDP-CO	United Nations Development Programme Country Office
WB	World Bank

SECTION I: Elaboration of the Narrative

PART I: Situation Analysis

1. Environmental fiscal reform in Kyrgyzstan operates within the broader framework of public finance management reform planned and partially programmed for the Republic of Kyrgyzstan. The goal of environmental fiscal reform is the development of institutional capacity that will help Kyrgyzstan meet its national commitments and priorities for environmentally sound and sustainable development. The project will catalyze the process of environmental fiscal reform, demonstrating reform (in the ayil okmotu of Baitik in the Alamedin district of Chui province), and how these reforms help achieve country obligations under the three Rio Conventions. Therefore the project specific objective is to improve fiscal measures for collecting, managing and allocating revenues for global environmental management.

PART II: Strategy

2. By accomplishing its objective the project's main impact will be the improvement of fiscal measures for collecting, managing and allocating revenues for environmental protection and natural resource management. To this end, the project will assess the particular institutional weaknesses, strengths, threats and opportunities (SWOT analysis) that are critical to raising revenues for environmental degradation and natural resource management. The SWOT analysis will form the basis for selecting one (or perhaps two) particular taxation instrument (targeted to assessing fines to industries that pollute and/or degrade the environment and natural resources) to be strengthened, thus legitimizing the latter's improvement through broad-based consultative processes.
3. The implementation of this project will take place within the framework of Kyrgyzstan's broader public finance management reform, linking very closely with the relevant decision-makers and partners to ensure effective integration of project activities with similar and related activities (as outlined in the action plan in Annex 1 of approved MSP in Section IV). Many (if not most) of the project activities are to be coordinated with the project activities that form part of the public finance management reform action plan, in particular to reduce overlap by integrating similar project activities, as appropriate.
4. Revenues will be strategically managed to effectively protect and rehabilitate degraded and polluted ecosystems not only in the national interest, but also as part of the country's obligations to the global environment conventions. The budgetary planning process for natural resource management will be streamlined within the framework of the broader budgetary planning framework for public finance management, with the expectation that predictable sources of funds are directed towards activities that contribute to global environmental objectives.
5. Guidelines, training, and new management procedures will strengthen the organizational capacities to implement existing and improved taxation instruments. Given the limited level of funding, the project will include training and improvement of management arrangements in a single ayil okmotu, which will serve to demonstrate the capacity building activities that should be subsequently extended and replicated to other ayil okmotus throughout the country. The project serves as a strategy for institutionalizing mechanisms to increase the collection of environmental fines and management of budgetary revenues at the local level for environmental remediation, ecosystem restoration and natural resource conservation.
6. Outcome and performance indicators are proxies for impact indicators, the latter being more accurately measured once project activities and benefits are institutionalized within the broader framework of public finance management. Notwithstanding, some impact indicators can be measured

before the project has come to an end. Criteria and indicators for outcome and performance indicators are in large part qualitative. These criteria include accountability (monitoring and enforcement procedures to control against Fund mismanagement and misuse); legitimacy (consensus agreement on the role and management of the Fund); good governance (streamlined and transparent rules and procedures); adaptability (flexibility in the Fund management to ensure timely response to unforeseen events, e.g., markets and political change); and equity (fair and equitable disbursements of Fund resources to ayil okmotus and thematic activities).

PART III: Management Arrangements

7. UNDP is the GEF Implementing Agency for this project, with the UNDP Country Office responsible for transparent practices, appropriate conduct and professional auditing. The proposed executing agency is the Ministry of Finance (MF), which will assign a National Project Director (NPD) and provide its staff and network of experts as support to Project Management Unit (as part of government co-financing).
8. Two management approaches are central to the success and institutional sustainability of the project. The first is the management of project activities that build institutional capacities, which in this case is the development and pilot implementation of fiscal measures that support environmental protection and natural resource management. The second management approach centers on the broader institutional context in which capacities are being developed. Specifically, environmental fiscal reform requires involvement and modifications to policy and legislative frameworks, the management of which is a political process. Central to this project is the Public Finance Management Reform programme, which is supported by an action plan and commitments from multiple international donors. Given this, the basic implementation and execution framework is as follows:
9. Project Board: This board (PB) is specifically established by the project to provide management oversight of project activities, and is chaired by the MF. The MF will either expand the remit of an existing policy committee or establish a new one to facilitate negotiation among senior government officials on the policy and legislative reforms necessary to support institutional recommendations. With government agency and ministerial approval, this committee will facilitate the parliamentary review process of measures requiring parliamentary approval. The board will review progress and evaluation reports, and advise programmatic modifications to project execution, as appropriate, and in accordance to UNDP procedures. Policy recommendations will be discussed and followed up by the policy committee.
10. Project Management: A Project Management Unit (PMU) will be established and administered by a Project Manager. The PMU will be responsible for developing Terms of References and contracting independent experts, including the fiscal policy and tax specialist, public administration expert, and natural resource sociologist or anthropologist. Whereas the Project Manager will oversee the daily administration of the project, the executing agency will appoint a National Project Director to provide government oversight.
11. Expert Working Group: A working group comprised of independent experts, technical government agency representatives, as well as representatives from stakeholder groups will discuss and deliberate the design and implementation of particular fiscal instruments. This expert working group will recommend particular fiscal instruments and the institutional structures necessary to support them.
12. Stakeholder Consultations: These consultations are of two main forms: a) discussions and negotiations under the aegis of the policy committee on supporting government procedural requirements to implement Working Group recommendations; and b) public consultations to inform and receive from all stakeholders on the design and implementation of fiscal mechanisms and their underlying institutional structures.

13. The Project Board serves the critical role of facilitating the discussion and negotiation among the Ministry of Agriculture (Focal Point for the CCD), Ministry of Finance (responsibility of public financial management), and the State Agency for Environmental Protection and Forestry (Focal Point for CBD, FCCC and GEF). The National Project Director of the selected executing agency will chair the Project Board.
14. Stakeholder consultations will take place at multiple levels: The results of the Working Group assessments will be shared widely and feedback sought in order to finalize and legitimize policy recommendations. The Project Board, comprised of government representatives, will also review the work of the Working Group, and support the work of the Project Management Unit. Through the Policy Committee, government representatives will pay particular attention to reviewing policy recommendations that require submission to cabinet and/or parliament.

PART IV: Monitoring and Evaluation Plan and Budget

15. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures. The project team and the UNDP Country Office (UNDP-CO) will undertake monitoring and evaluation activities, with support from UNDP-GEF, including by independent evaluators in the case of the mid-term and final evaluations. The Logical Framework Matrix in Annex 5 of approved MSP (see the Section IV) describes performance and impact indicators for project implementation along with their corresponding means of verification. The Outcome Budget in Annex 7 of approved MSP (see the Section IV) and the Work Plan in Annex 8 of approved MSP (see the Section IV) provides delivery and disbursement targets for the combined GEF and co-financing contributions. Annex 13 of approved MSP (see the Section IV) provides a breakdown of the total GEF budget by outcome, project management costs, and allocated disbursements on a per year basis. The Work Plan is provisional, and is to be reviewed during the first Project Board and endorsed at the Project Initiation Workshop.

PART V: Legal Context

16. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Kyrgyzstan and the United Nations Development Programme, signed by the parties in 1993. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.
17. The UNDP Resident Representative in Kyrgyzstan is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:
 - a) Revision of, or addition to, any of the annexes to the Project Document;
 - b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
 - c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
 - d) Inclusion of additional annexes and attachments only as set out here in this Project Document.

SECTION II: STRATEGIC RESULTS FRAMEWORK

PART I: Logical Framework Analysis

Table 1: Objectively Verifiable Impact Indicators

Note: This log frame should be used adaptively in conjunction with the implementation of the broader Public Finance Management Reforms Action Plan (Annex 1 of approved MSP, Section IV) and the World Bank Government Structural Assistance Credit Support Project (their Logical Framework is Annex 10 of approved MSP, Section IV).

Project Strategy	Objectively verifiable indicators			Sources of verification	Assumptions
	Indicators	Baseline values	Target values and dates		
Long-term goal: Improved fiscal measures for environmental protection and natural resource management					
<p>Project objective: To improve fiscal measures for collecting, managing and allocating revenues for global environmental management</p>	<p>Impact Indicators:</p> <ul style="list-style-type: none"> ▪ Financial administration and management of environmental fines managed in a transparent manner ▪ Strong incentives to minimize EPNRD are institutionalized (e.g., public notices of polluting businesses) ▪ Revenues from environmental fines increase the capitalization of the FEPPD ▪ Increased allocation of FEPPD funds to ayil okmotu for environmental protection and rehabilitation, esp. 	<ul style="list-style-type: none"> ▪ The FEPPD is legislatively responsible for financing national actions to meet commitments under the Rio Conventions. However, this fund currently only allocates revenues to government agency salaries and their contribution to the social fund (social security) ▪ The assessment of environmental fines is arbitrary, with no clear guidelines or adequately trained government staff to undertake this exercise ▪ Monitoring and enforcement mechanisms controlling the collection of environmental fines are virtually non-existent, allowing for fines to go uncollected, and in many instances to be pocketed 	<p>By the end of the project:</p> <ul style="list-style-type: none"> ▪ Fiscal measures for reducing environmental degradation developed and tested in one ayil okmotu ▪ Significant increase [10%] in investments in environmentally friendly technology and practices over baseline after 12 months of implementing improved fiscal measures ▪ Training provided to at least 80 government and non-governmental professionals responsible for and who have a stake in the implementation of environmental fiscal measures ▪ Capitalization of the FEPPD increased by at least [15%] over baseline figures after 12 months of 	<ul style="list-style-type: none"> ▪ Independent audit of FEPPD ▪ Public notices on the allocation and disbursement of revenues ▪ Independent survey on impacts of improved fiscal measures ▪ Policy and PB meeting minutes ▪ Expert Working Group meeting minutes ▪ UNDP Quarterly reports, APRs, PIRs, and Project Terminal Report ▪ Independent mid-term and final 	<ul style="list-style-type: none"> ▪ Experts and decision-makers will agree and prioritize an optimal set of fiscal measures for EPNRM ▪ GoKR and UNDP-GEF continue to support this project strategy, in particular the process to improve the institutionalization of EFR within key agencies, including the Tax Inspection Unit, SAEPF, MAWRPI and MF ▪ Sustainability of project benefits is assured by GoKR budgetary appropriations derived from the collection of revenues from environmental fiscal measures, and not by extra-budgetary resources ▪ Relevant individuals within key government agencies actively participate in the training and sensitization

	<p>global env. priorities</p> <ul style="list-style-type: none"> Increased budgeting of environmental protection and rehabilitation activities by ayil kenesh and ayil okmotu Capacity development monitoring scorecard ratings 	<p>by government officials</p> <ul style="list-style-type: none"> International and bilateral donors and the GoKR recently approved a programme of public finance management reforms, which includes EFR <i>Ratings to be completed at project inception phase</i> 	<p>implementing improved fiscal measures</p> <ul style="list-style-type: none"> Significant increase [15%] in the allocation of revenues from FEPFD to pilot ayil okmotu after 12 months of fiscal measures implementation <i>Targets to be completed at project inception phase</i> 	<p>evaluation reports</p> <ul style="list-style-type: none"> Rio Convention national reports Newspaper articles 	<p>workshops</p> <ul style="list-style-type: none"> Recommendations for the institutionalization of best practices from the piloting of EFR are politically, technically and financially feasible
<p>Outcome 1: Improved tax instrument for assessing, collecting, managing and allocating revenues for industrial pollution control developed</p>	<ul style="list-style-type: none"> Regulatory and operational recommendations for EFR, with particular reference to controlling industrial pollution Integration of EIA principles into the GSAC evaluation methodologies (GSAC output 4.2) Independent expert analysis of recommended EFR confirms their potential for effective control of EPNRD, as well as raising and directing revenues to ayil okmotus Industry and businesses causing EPNRD are widely advertised in public 	<ul style="list-style-type: none"> Ayil keneshes and okmotus do not have the legal authority to collect environmental fines, but are responsible for local decisions regarding natural resource use and environmental protection Existing laws and tax codes provide some legislative authority for the assessment and collection of environment fines, but important loopholes exist. The new draft Tax Code closes some, but opens other loopholes Inter-departmental commission and working group already established to identify best practices for public finance management and fiscal reform, including foreign debt restructuring The GSAC project will 	<ul style="list-style-type: none"> Within six months of project initiation, SWOT analysis of fiscal measures for EPNRM conducted. SWOT Analysis recommends taxation instruments for priority capacity development By the end of six months, independent expert validation of SWOT Analysis By the end of six months, a consensus among decision-makers and experts on one tax instrument for industrial pollution control, the strengthening and implementation of which capacities are to be developed. By the end of year 1, industry representatives submit a public response to recommended EFR 	<ul style="list-style-type: none"> Public notices on the allocation and disbursement of revenues Independent survey on impacts of improved fiscal measures Policy and PB meeting minutes Expert Working Group meeting minutes UNDP Quarterly reports, APRs, and PIRs Independent mid-term evaluation report Newspaper articles Industry press 	<ul style="list-style-type: none"> Economic stability Commitment of the MF, Tax Inspection Unit, MAWRPI, MoA, and SAEPP to adopt and enforce EFR recommendations (specifically improvements to the tax code for EPNRM targeted to industry) EFR can be implemented in a cost-effective manner. EFR will be institutionalized within existing procedures for the monitoring natural resource use and exploitation The development of capacities for one or two taxation instruments targeted to polluting industries can be effectively implemented to produce significant revenues As industries adopt environmentally sound and sustainable practices, including cleaner

	<p>notices</p> <ul style="list-style-type: none"> ▪ Internationally accepted standards of clean technologies 	<p>develop enhanced evaluation methodologies for assessing the impact of current taxation structure</p>		<p>releases</p>	<p>technologies, they will not be subjected to fines, thus reducing revenues from relevant tax instruments.</p>
<p>Outcome 2: Natural Resource Mobilization Programme and associated comprehensive budget for EPNRM)</p>	<ul style="list-style-type: none"> ▪ NRMP Report includes plans for collecting revenues for EPNRM, with particular reference to global environmental objectives ▪ Draft NRMP reviewed by ayil kenesh of Baitik and other stakeholders ▪ Financial management of arrangements of <u>in-country</u> revenues for EPNRM (FEPFD, Republican Budget, State Budget, etc) ▪ Harmonized budget of revenues and priority expenditures for EPNRM ▪ National Public Finance Management Reform Programme substantively links with NRMP and associated budget 	<ul style="list-style-type: none"> ▪ Multiple programmes and plans exist for EPNRM, but they are not coordinated with each to reconcile priority areas for funding. ▪ Little to no funding nor systematic budgeting of revenues for EPNRM (only salaries) ▪ Funding for EPNRM is sought primarily from international donors ▪ Public Investment Programme initiated supported by over \$590 million to improve public sector ▪ Public Finance Management Reform Programme approved and under early implementation with major donors (ADB, IMF, DFID, WB, etc), which include the GSAC and GTAC 	<ul style="list-style-type: none"> ▪ By the end of nine months, draft NRMP reviewed by Baitik ayil kenesh and other local stakeholders ▪ By the end of year 1, NRMP is produced. ▪ By the end of year 1, procedures set in place for the annual (years 2, 3 and beyond) review and updating of the NRMP, including budgetary allocations for EPNRM, with particular reference to global environmental objectives ▪ By the end of year 1, Independent expert evaluation of NRMP ▪ By the end of year 2, NRMP and associated EPNRM budget are integrals part of the Public Investment Programme and Public Finance Management Reform process (see output 3.6 of GSAC) 	<ul style="list-style-type: none"> ▪ Independent survey on impacts of improved fiscal measures ▪ Policy and PB meeting minutes ▪ Expert Working Group meeting minutes ▪ UNDP Quarterly reports, APRs, and PIRs ▪ Independent mid-term and final evaluation reports ▪ Newspaper articles ▪ Review of GSAC and GTAC progress reports 	<ul style="list-style-type: none"> ▪ NRMP and streamlined budget plans will facilitate the allocation of resources for EPNRM ▪ NRMP will be fully endorsed and supported by political process that embodies the broader Public Investment Programme and Public Finance Management Reform process, in particular the MF reforms envisioned as part of GSAC output 5.2 ▪ Government remains committed to April 2006 Memorandum of Economic Policies with the IMF to curb tax evasion and streamlining tax administration
<p>Outcome 3:</p>	<ul style="list-style-type: none"> ▪ Streamlined 	<ul style="list-style-type: none"> ▪ The GSAC support project 	<ul style="list-style-type: none"> ▪ By the end of nine months, 	<ul style="list-style-type: none"> ▪ Audits of fines 	<ul style="list-style-type: none"> ▪ Broader Public Investment

<p>Capacities strengthened to assess and management environmental fines for global environmental protection</p>	<p>procedures to access national environmental registries to use data to calculate environmental fines</p> <ul style="list-style-type: none"> ▪ Guidelines prepared on the calculation of fines, collection and management of revenues from tax revenues for EPNRD ▪ Cadre of government staff trained on the implementation of existing and newly improved tax instruments on EPNRD ▪ Tax Inspection Unit, SAEPF, MAWRPI, MF, and ayil okmotus capacitated to assess environmental fines with an acceptable level of precision (<5% variance) ▪ Independent expert analysis of FEPPD management arrangements, including recommendations for increasing transparency and accountability ▪ Restructured FEPPD increases allocation of revenues to ayil 	<p>approved in March 2006 includes activities upon which the CB2 project is incremental, e.g., developing an integrated cash management control system</p> <ul style="list-style-type: none"> ▪ Legislation already exist, calling for fines to be paid for pollution and environmental degradation ▪ Strong government commitment to embark on a broad programme of fiscal reforms, including EFR ▪ Fiscal reforms have been underway for the past few years, most recently with the drafting of a new tax code, currently under parliamentary review ▪ Monitoring of the application of pollution fines is inadequate, resulting in some public officials accepting bribes ▪ Several national environmental registries exist, with data needed for calculating environmental fines. However, this data is not readily accessible ▪ Calculation of environmental fines is not standardized 	<p>training programme developed and approved by Tax Inspection Unit, SAEPF, MAWRPI, and MF</p> <ul style="list-style-type: none"> ▪ By the end of year 1, integration of EPNRM into project outputs under development by the GSAC project (may be annexes), e.g., code of ethics and integrated cash management control system ▪ By the end of year 2, at least four training sessions conducted, each with at least 10 appropriate level public officials and industry representatives ▪ By the end of year 2, selected taxation instruments are being implemented in one ayil okmotu ▪ By the end of years 2 and 3, a regional workshop with representatives from other ayil okmotus to share experiences and lessons learned (associated with GSAC output 6.5) ▪ By the end of the project, a manual and associated guidelines produced to calculate EPNRD fines targeted to industry 	<p>assessed to polluters</p> <ul style="list-style-type: none"> ▪ Independent survey on impact of improved environmental fiscal measures ▪ Policy and PB meeting minutes ▪ Expert Working Group meeting minutes ▪ UNDP Quarterly reports, APRs, and PIRs ▪ Independent mid-term and final evaluation reports ▪ Newspaper articles ▪ Industry press releases ▪ Public awareness dialogues ▪ Progress reports of Public Investment Programme and Public Finance Management Reform Programme 	<p>Programme and Public Finance Management Reforms do not contradict the objectives and implementation of EFR</p> <ul style="list-style-type: none"> ▪ Selected trainees are the staff responsible for implementing EFR, and are receptive to training ▪ Public officials do not seek alternative means to subvert improved fiscal measures ▪ Industry representatives remain committed to participating in EFR training sessions ▪ National environmental registries and their data continue to be maintained and updated adequately ▪ Political will of government agencies to share data and information
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	<p>okmotus for EPNRM</p> <ul style="list-style-type: none"> ▪ Ayil okmotus given the legislative authority to collect fines for EPNRD ▪ Recommendations for amendments to the draft tax code prepared and submitted for review, endorsement and parliamentary approval ▪ Increased capitalization of FEPPD from tax revenues from polluting industries (>15% over baseline) ▪ Independent expert monitoring mechanism (e.g., annual evaluations) of EFR 	<ul style="list-style-type: none"> ▪ Industries and businesses responsible for EPNRD are not consistently fined. ▪ Rules and procedures for the allocation of revenues for EPNRM is vague and not adequately interpreted, and thus not readily enforced 	<ul style="list-style-type: none"> ▪ By the end of the project, revenues from taxation instruments have produced significant revenues (>10% over baseline) ▪ By the end of the project, a strategy for applying taxation instruments in other ayil okmotus is approved 		
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SECTION III: Total Budget and Workplan

Award ID:	00046787
Project ID:	00055903
Award Title:	PIMS 3726 CC MSP: Kyrgyzstan – Capacity Building for Improved National Financing of Global Environmental Management
Business Unit:	KGZ10
Project Title:	PIMS 3726 CC MSP: Kyrgyzstan – Capacity Building for Improved National Financing of Global Environmental Management
Implementing Partner	MF

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)
OUTCOME 1: (as per log-frame)	UNDP	6200 0	GEF	71200	International Consultant: Fiscal Expert/Tax Specialist	10,000	0	0	10,000
				71300*	Local Consultant: Fiscal Expert	25,000	10,000	0	35,000
				71300	Local Consultant: Public Administration Expert	17,000	17,000	13,000	47,000
				71300	Local Consultant: Tax Specialist	11,000	11,000	6,500	28,500
				74500	Miscellaneous	1,000	1,000	1,000	3,000
				71600	Travel	500	500	500	1,500
					Sub-total GEF	64,500	39,500	21,000	125,000
					Total Outcome 1	64,500	39,500	21,000	125,000
OUTCOME 2: (as per log-frame)	UNDP	6200 0	GEF	71200	International Consultant: Fiscal Expert/Tax Specialist		9,500		9,500
				71300	Local Consultant: Fiscal Expert	19,000	11,000		30,000
				71300	Local Consultant: Public Administration Expert	17,000	26,500	16,000	59,500
				71300	Local Consultant: Tax Specialist		7,000		7,000
				74500	Miscellaneous	1,000	1,000	1,000	3,000
				71600	Travel	500	500	0	1,000
					Sub-total GEF	37,500	55,500	17,000	110,000
					Total Outcome 2	37,500	55,500	17,000	110,000

*More lines with identical BL codes in one outcome were used for providing more detailed information. The budget that will be entered in Atlas system will contain only one line for each BL code for each outcome/activity

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)
OUTCOME 3: (as per log-frame and Monitoring, Lessons Learned, and Evaluation)	UNDP	62000	GEF	71300	Local Consultant: Fiscal Expert	9,000			9,000
				71300	Local Consultant: Public Administration Expert	30,000	17,000	17,000	64,000
				71300	Local Consultant: Natural Resource Sociologist			5,000	5,000
				72100	Contractual services: Training workshop on interpreting environmental fiscal measures	4,900	5,800	5,800	16,500
				72100	Contractual services: Training workshop on calculating fines	4,200	4,200	4,100	12,500
				72100	Contractual services: Public awareness/policy dialogue with industry	1,000	1,000	1,000	3,000
				72100	Contractual services: Public awareness/policy dialogue with local stakeholders	1,000	1,000	1,000	3,000
				72145	Training programme materials	2,500	2,500		5,000
				71200	International Expert Final Evaluation. PAE/FE	0	0	12,000	12,000
				71300	Local Consultant: Preparation of Lessons Learned. PAE/FE	0	5,000	5,000	10,000
					Sub-total GEF	52,600	36,500	50,900	140,000
					Total Outcome 3	52,600	36,500	50,900	140,000
Project Management (This is not appear as an Outcome in the Logframe)	UNDP	62000	GEF	71300	Local Project Assistant	14,300	14,300	14,300	42,900
				72500	Office Supplies	3,000	1,000	1,000	5,000
				74500	Miscellaneous	700	700	700	2,100
					sub-total GEF	18,000	16,000	16,000	50,000
	Total Project Management	18,000	16,000	16,000	50,000				
Total Project				Total Project	172,600	147,500	104,900	425,000	
				Percentage allocated per year	40	34	26	100	

Summary of Funds:¹

GEF	172,600	147,500	104,900	425,000
PROJECT TOTAL	172,600	147,500	104,900	425,000
Co-financing	0	0	0	220,000
Summary of Fund				645,000

¹ Summary table should include all other co-financing (cash and in-kind) that is not passing through UNDP.

SECTION IV: ADDITIONAL INFORMATION

PART I: Approved MSP proposal

The approved MSP proposal is submitted to the GEF Secretariat for endorsement. Due to that the project document should be under 40 pages it is attached in separate file.

Other agreements

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН
ӨКМӨТҮНӨ КАРАШТУУ КУРЧАП
ТУРГАН ЧӨЙРӨНҮ КОРГОО
ЖАНА ТОКОЙ ЧАРБАСЫ БОЮНЧА
МАМЛЕКЕТТИК АГЕНТТИГИ

720001, г. Бишкек, Гоголь кочкасу, 228
т.т. (996-312) 61-00-16, факс: 61-13-96



ГОСУДАРСТВЕННОЕ
АГЕНТСТВО ПО ОХРАНЕ
ОКРУЖАЮЩЕЙ СРЕДЫ И ЛЕСНОМУ
ХОЗЯЙСТВУ ПРИ ПРАВИТЕЛЬСТВЕ
КЫРГЫЗСКОЙ РЕСПУБЛИКИ

720001, г. Бишкек, ул. Токтогула, 228
т.т. (996-312) 61-00-16, факс: 61-13-96
e-mail: nia-eco@telecom.kg

12.08.2007 г. № 5121/533

Постоянному Координатору ПРООН в КР
г-ну Пилу Волкер

Уважаемый господин Волкер,

В соответствии с моими полномочиями как Национального Координатора Глобального Экологического Фонда (ГЭФ) от Кыргызской Республики, я выражаю поддержку постоянному проектному предложению по доступу к фондам ГЭФ для реализации Средне-Размерного Проекта "Повышение Потенциала для Улучшения Национального Финансирования Глобальных Экологических Конвенций в Кыргызстане" через Программу Развития ООН.

Значимость и своевременность охраны окружающей среды Кыргызстана и предотвращения дальнейшей ее деградации посредством реализации экологической финансовой реформы, в соответствии со стратегиями развития и международными обязательствами страны в рамках международных соглашений является основным аргументом для Правительства Кыргызской Республики для поддержки и просьбы о финансировании данного проекта.

В соответствии с Руководящими принципами ГЭФ, Ответственные Должностные Лица по РКИК, КБР и КБО полностью были проконсультированы и их мнение было принято во внимание при завершении данного проектного предложения.

С надеждой на Ваш положительный ответ,

Искренне Ваш,

Национальный координатор ГЭФ КР,
Директор


А. Давлеткельдиев

UNOFFICIAL TRANSLATION

To Neal Walker, Resident Representative

UNDP/Kyrgyz Republic

Dear Neal Walker,

In compliance with my full powers as a GEF National Coordinator in the Kyrgyz Republic I support this project proposal to GEF funds for MSP (medium sized project) “Capacity Building for Improved National Financing of Global Environmental Management in Kyrgyzstan” implementation by UNDP.

Significance and urgency of environment protection in Kyrgyzstan and preventing its further degradation through implementing environmental financial reform in accordance with development strategies and international commitments of the country in the framework of international agreements is main argument for the Government of the Kyrgyz Republic to support and request finance this project.

In compliance with the Principle guidelines of GEF, UNFCCC, UNCBD and NCCD focal points were provided full consultation and their views were taken into account when this finalizing project proposal.

I hope for your positive reply.

Sincerely yours,

National Coordinator GEF KR,

Director

A. Davletkeldiev

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН
ӨКМӨТҮНӨ КАРАШТУУ КУРЧАП
ТУРГАН ЧӨЙРӨНҮ КОРГОО
ЖАНА ТОКОЙ ЧАРБАСЫ БОЮНЧА
МАМЛЕКЕТТИК АГЕНТТИК



ГОСУДАРСТВЕННОЕ АГЕНТСТВО
ПО ОХРАНЕ ОКРУЖАЮЩЕЙ
СРЕДЫ И ЛЕСНОМУ ХОЗЯЙСТВУ
ПРИ ПРАВИТЕЛЬСТВЕ
КЫРГЫЗСКОЙ РЕСПУБЛИКИ

720001, г. Бишкек, Токтогул көчөсү, 228
тел.: (996-312) 61-00-16, факс: 61-13-96

720001, г. Бишкек, ул. Токтогула, 228
тел.: (996-312) 61-00-16, факс: 61-13-96

«14» 03 2007 г. № 01.21/550

Постоянному координатору
ПРООН в Кыргызской
Республике
г-ну Нилу Волкер

Уважаемый господин Волкер,

Государственное агентство по охране окружающей среды и лесному хозяйству при Правительстве Кыргызской Республики (далее ГАООСилХ) подтверждает свой интерес в реализации средне-размерного проекта «Улучшение национального финансирования глобальных экологических конвенций в Кыргызской Республике».

ГАООСилХ является одним из инициаторов и исполнительным агентством от Правительства Кыргызской Республики и готово внести свой вклад в реализацию данного проекта с 2007-2010 годы в виде офисного помещения, оказания консультативных услуг и практической помощи на месте реализации проекта. Сумма материального вклада со стороны ГАООСилХ за указанный период будет эквивалентна 40 тысячам долларов США.

С уважением,

Статс-секретарь

А. Чыңгожов

UNOFFICIAL TRANSLATION
Resident Coordinator of UNDP in Kyrgyz Republic

Dear Neal Walker!

State Agency on Environment Protection and Forestry under the Government of the Kyrgyz Republic (hereinafter referred as SAEPF) confirms its interest in implementation of Medium-Sized Project “Capacity building for improved national financing of global environmental management in Kyrgyzstan”.

SAEPF is one of the initiators and executing agency on behalf of the Kyrgyz Government and is ready to make in kind contribution into the project by providing office, consultative services and practical assistance at project duty station for 2007-2010. Amount of in-kind contribution from the SAEPF for the indicated period shall be 40 thousand USD.

Sincerely,

A.Chyngojev
State Secretary

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН
КАРЖЫ МИНИСТРЛИГИ



МИНИСТЕРСТВО ФИНАНСОВ
КЫРГЫЗСКОЙ РЕСПУБЛИКИ

MINISTRY OF FINANCE OF THE KYRGYZ REPUBLIC

720040, Кыргыз Республикасы
Бишкек ш., Эркиндик бульвары, 55
Телефон: +996 (312) 66-06-04
Факс: +996 (312) 66-16-45
Телекс: 245-156 NUR.KH

58 Ekimdik Bulvarında, Bishkek
Kyrgyz Republic, 720040
Telephone: +996 (312) 66-06-04
Fax: +996 (312) 66-16-45
Telex: 245-156 NUR.KH

720040, Кыргызская Республика
г. Бишкек, Бульвар Эркиндик, 55
Телефон: +996 (312) 66-06-04
Факс: +996 (312) 66-16-45
Телекс: 245-156 NUR.KH

14.06.08 № 12-35-2/2104

на № _____

Постоянному представителю
программы ООН в
Кыргызской Республике
господину Нилу Волкеру

Уважаемый Нил Волкер!

Министерство финансов Кыргызской Республики подтверждает свой интерес в реализации проекта «Улучшение национального финансирования глобальных экологических конвенций в Кыргызской Республике» в качестве одного из инициаторов и исполняющего агентства от Правительства Кыргызской Республики. В качестве своего вклада в проект, Министерство финансов готово внести материальный вклад офисными помещениями, участием (рабочее время сотрудников), а также выполнением мероприятий и практических работ на месте реализации проекта за период 2007-2010 годы включительно. Сумма материального вклада Министерства финансов Кыргызской Республики и его подразделений за вышеуказанный период будет эквивалентна 40 тысячам долларов США.

С уважением,

Заместитель министр

А.Кожошев

Исх. Протокол № 1. 62-58-80
№ 000754

№ 000754

UNOFFICIAL TRANSLATION
Resident Coordinator of UNDP in Kyrgyz Republic

Dear Neal Walker!

Hereby the Ministry of Finance of the Kyrgyz Republic confirms its interest in implementation of Medium-Sized Project “Capacity building for improved national financing of global environmental management in Kyrgyzstan”.

The Ministry of Finance is one of the initiators and executing agency on behalf of the Kyrgyz Government. As its own in-kind contribution into the project by providing offices, participation (working hours of staff) and practical assistance at project duty station for 2007-2010. Amount of in-kind contribution from the Ministry of Finance for the indicated period shall be 40 thousand USD.

Sincerely,

Deputy Minister

A. Kojoshev

КЫРГЫЗ
РЕСПУБЛИКАСЫНЫН
АНЫЛ, СУУ ЧАРБА ЖАНА
КАИРА ИШТЕТҮҮ ӨНӨР ЖАИ
МИНИСТРЛИГИ



МИНИСТЕРСТВО СЕЛЬСКОГО,
ВОДНОГО ХОЗЯЙСТВА И
ПЕРЕРАБАТЫВАЮЩЕЙ
ПРОМЫШЛЕННОСТИ
КЫРГЫЗСКОЙ РЕСПУБЛИКИ

720040, Бишкек ш., Князь Киясову, 96 к/а
Телефон: +(996 312) 62-36-16,
факс: +(996 312) 62-36-32

720040, г. Бишкек, улица Князьская, 96 к/а
Телефон: +(996 312) 62-36-16,
факс: +(996 312) 62-36-32

№ 15 м.р.м. 2009 г. № 05/543

На № _____

Постоянному координатору
ПРООН в Кыргызской Республике
г-ну Нилсу Волкеру

Уважаемый г-н Нилс Волкер,

Министерство сельского, водного хозяйства и перерабатывающей промышленности Кыргызской Республики подтверждает свой интерес в реализации среднесрочного проекта «Улучшение национального финансирования глобальных экологических изменений в Кыргызской Республике» в качестве одного из инициаторов и исполнителей агентства от Правительства Кыргызской Республики. В качестве своего вклада в проект, Министерство готово внести нематериальный вклад участием своего персонала (рабочее время сотрудников), а также выполнением мероприятий и практических работ на месте реализации проекта за период 2007-2010 годы включительно. Стоимость нематериального вклада Министерства и его подразделений за вышеуказанный период будет эквивалентна \$40 тыс.

С уважением,

Заместитель министра

Б. Байгемиров

UNOFFICIAL TRANSLATION

Resident Coordinator of UNDP in Kyrgyz Republic

Dear Neal Walker!

Hereby the Ministry of Agriculture, Water Resources and Processing Industry of the Kyrgyz Republic confirms its interest in implementation of Medium-Sized Project “Capacity building for improved national financing of global environmental management in Kyrgyzstan”.

The Ministry of Agriculture, Water Resources and Processing Industry is one of the initiators and executing agency on behalf of the Kyrgyz Government and is ready to make in kind contribution into the project by participation of personal (working hours of staff) and practical assistance at project duty station for 2007-2010. Amount of in-kind contribution from the Ministry of Agriculture, Water Resources and Processing Industry for the indicated period shall be 40 thousand USD.

Sincerely,

Minister (Deputy Minister, State Secretary)

КЫРГЫЗ РЕСПУБЛИКАСЫНЫН
ИИВР ЖАЙ, ЭПЕРГЕТИКА ЖАНА
ОГУН РЕСУРСТАР
МИНИСТРЛИГИ



МИНИСТЕРСТВО
ПРОМЫШЛЕННОСТИ,
ЭНЕРГЕТИКИ И ТОПЛИВНЫХ
РЕСУРСОВ
КЫРГЫЗСКОЙ РЕСПУБЛИКИ

MINISTRY OF INDUSTRY, ENERGY AND FUEL RESOURCES OF THE KYRGYZ REPUBLIC

720002, горад Бишкек, проспект Чуй, 109 Телерооно: (0312) 62-03-90, 62-05-76, 66-45-34 Факс: (0312) 66-18-37
106 Chuy Avenue, Bishkek city, 720002 Phone: (0312) 62-03-90, 62-05-76, 66-45-34 Fax: (0312) 66-18-37

№ 012/267 « 14 » 03 2007 г.

На ваш № _____ « _____ » _____ 2007 г.

Уважаемый Павел Волкер!

При этом Министерство промышленности, энергетики и топливных ресурсов Кыргызской Республики подтверждает свой интерес в реализации средне-размерного проекта «Улучшение национального финансирования глобальных экологических конвенций в Кыргызской Республике» в качестве одного из инициаторов и исполняющего агентства от Правительства Кыргызской Республики. В качестве своего вклада в проект, МПЭиТР готово внести материальный вклад офисными помещениями, участием (рабочее время сотрудников), а также выполнением мероприятий и практических работ на месте реализации проекта за период 2007-2010 годы включительно. Сумма материального вклада МПЭиТР и его подразделений будет за вышеуказанный период эквивалентна 40 тысячам долларов США.

С уважением,

Зам.министра промышленности,
энергетики и топливных ресурсов

Н.Султамуратов

UNOFFICIAL TRANSLATION

Dear Neal Walker!

Hereby the Ministry of Industry, Energy and Fuel Resources of the Kyrgyz Republic confirms its interest in implementation of Medium-Sized Project “Capacity building for improved national financing of global environmental management in Kyrgyzstan” being one of the initiators and executing agency on behalf of the Kyrgyz Government.

The Ministry of Industry, Energy and Fuel Resources is ready to make in kind contribution into the project by participation (working hours of staff) as well as implementing activities and practical work at project duty station for 2007-2010. Amount of in kind contribution from the Ministry of Industry, Energy and Fuel Resources and its Departments shall be 40 thousand USD for the above period.

Sincerely,

N.Sultanov
Deputy Minister of Industry Energy
and Fuel Resources

Кыргыз Республикасы
Чуй областы
Байтик айыл окмоту



Кыргызская республика
Чуйская область
Байтикский айыл окмоту

с. Байтик
А. Раимбекова 17
от *03.03* 2007 г.

тел.0-313491247

Уважаемый Цил Волкер!

Байтикский айыл окмоту подтверждает свой интерес в реализации средне-размерного проекта «Повышение потенциала по улучшению национального финансирования глобальных экологических конвенций в Кыргызской Республике» исполнительным агентством, которого будет офис ПРООН в Кыргызстане, а также готово оказать всяческое содействие в выполнении проекта на территории Байтикского айыл окмоту.

В качестве своего вклада в проект, Байтикский айыл окмоту готов внести материальный вклад в виде участия (рабочее время сотрудников), выполнением мероприятий и практические работы на месте реализации проекта за период 2007-2010 годы включительно. Сумма материального вклада Байтикского айыл окмоту будет за вышеуказанный период эквивалентна 20 000 долларам США.



С уважением,

Глава Байтикского айыл окмоту:

С. Жумашева

UNOFFICIAL TRANSLATION
Resident Coordinator of UNDP in Kyrgyz Republic

Dear Neal Walker!

Hereby the Baytik Ayil Okmotu confirms its interest in implementation of Medium-Sized Project “Capacity building for improved national financing of global environmental management in Kyrgyzstan” which will be executed by UNDP in Kyrgyzstan.

The Baytik Ayil Okmotu is ready to provide any assistance in project implementation on the territory of Baytik Ayil Okmotu.

The Baytik Ayil Okmotu will make in-kind contribution into the project by participation (working hours of staff), holding activities and practical work at project duty station for 2007-2010. Amount of in-kind contribution from the Baytik Ayil Okmotu for the indicated period shall be 20 thousand USD.

Sincerely,

Head of Baytik Ayil Okmotu



Frank
Dear Mr. Pante,

14 March 2007

Herby UNDP in the Kyrgyz Republic as an implementing agency for the GEF medium size project "Capacity Building for Improved National Financing of Global Environmental Management in Kyrgyzstan" confirms its commitment to implement said project in partnership with local stakeholders and as it's in-kind contribution to the project is ready to fund USD 40,000 for the period of 2007-2010 in addition to USD 425,000 from GEF.

Above amount is to be spent for the administrative support from Environment Programme staff and be equal to USD 23,000. Other than that, UNDP in the Kyrgyz Republic confirms its in-kind contribution by facilities, equipment and labor hours of Environment Unit equal to USD 17,000.

For the PDI-A stage UNDP in the Kyrgyz Republic has already co-funded USD 7,100. Total UNDP co-financing for the project is USD 47,100.

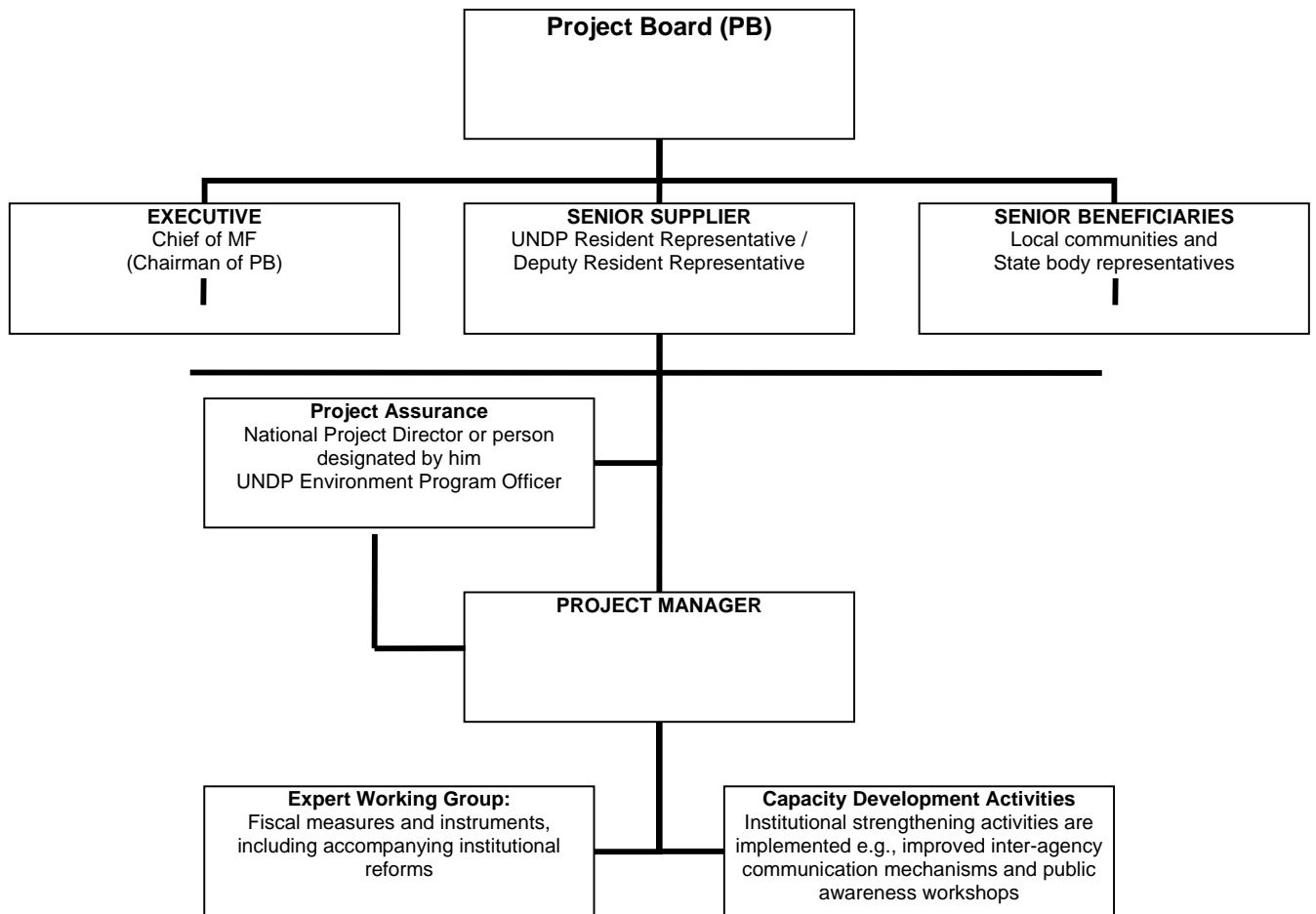
Sincerely,


Neil Walker
Resident Representative

Mr. Frank Pante
Executive Coordinator EEO Deputy Leader
United Nations Development Programme
Global Environment Facility Unit (UNDP-GEF)



PART II: Organigram of Project



PART III: Terms of References for key project staff and main sub-contracts

A. Technical Assistance Assignments and Functions

The project will contract local and international expertise to provide a number of services outlined in the project work plan. These include: Fiscal Expert (local and international); Public Administration Expert (local); Tax Specialist (local and international); Natural Resource Sociologist (local); Lessons Learned Consultant (local); and a Project Assistant (local).

1. Fiscal Expert (local)

The Local Fiscal Expert(s)² will:

- a. Assess the weaknesses, strengths, threats and opportunities (SWOT analysis) of

² More than one Local Fiscal Expert may be contracted to perform a subset of these responsibilities.

Kyrgyzstan's public finance institutional framework that are critical to raising revenues for environmental degradation and natural resource management.

Output: SWOT analysis on Kyrgyzstan's institutional framework of fiscal management targeted to natural resource management and environmental protection

- b. Identify and elaborate on the regulatory and operational requirements of a taxation instrument targeted to control industrial pollution targeted to natural resource management and environmental protection.

Output: In-depth, analytical report on the rationale and logic of recommendation to strengthen a taxation instrument for industrial pollution control targeted to natural resource management and environmental protection.

- c. Undertake an annual review and updating of the Natural Resource Management Programme (NRMP) and Budget. While maintaining the goal, objectives, and strategy of the NRMP, the review will represent independent evaluation of the feasibility and effectiveness of the NRMP and associated budget to generate and allocate revenues at the local level for natural resource management activities. This function is to be financed from non-GEF resources.

Output: Annual Evaluation Report on the effectiveness of the NRMP

- d. Prepare guidelines for the management of fines for industrial pollution control. These guidelines are to serve as a set of standard operating procedures for responsible staff on how to assess and calculate fines, as well as for the transparent accounting of revenue streams. Particular attention will be given to the allocation of revenues from the State and Republic budgets to the ayil okmotus.

Output: Guidelines for the assessment and calculation of fines for industrial pollution control

Qualifications

- Post-graduate degree in Finance or Accounting
- Certified or Chartered Public Accountant preferred
- Five years or more experience with the accounting, financial management and auditing of environmental programmes
- Experience with the fiscal administration of governmental agencies' environmental programmes
- Experience with researching government statutes, legislation, regulation, and directives that govern public finance management
- Fluent in Russian
- Ability to be flexible, respectful, and effective while working with others from diverse backgrounds
- Experience with Microsoft Office, including Word, Excel, and PowerPoint

- Excellent organizational and analytical skills
- Excellent oral and written communication skills

2. Fiscal Expert (international)

- The International Fiscal Expert will undertake an independent evaluation of the Natural Resource Management Programme (NRMP) and accompanying Budget. The evaluation will assess the quality of the NRMP, with particular attention to its holistic design; strategic fit with other project activities; and feasibility grounded in the broader context of on-going public finance management reforms and socio-economic and political realities and potential.

Output: Evaluation report of the NRMP and associated Budget

- The International Fiscal Expert³ will also undertake an independent final evaluation of the project three months prior to its anticipated completion. The evaluation will:
 - Assess the achievement of the project's objectives and delivery of outputs, taking into account the changing conditions during project execution
 - Analyze project performance in meeting project objectives, and examine the immediate project results against anticipated project outcomes
 - Assess the likelihood of the project in achieving its intended impacts, with particular attention to the sustainability of project outcomes and taking into account the institutionalization of project outputs and strategies
 - Make any and all recommendations deemed necessary for the successful achievement of project objectives and project closure

The independent final evaluation will be conducted in a fully participatory manner, working on the basis that the primary purpose of the evaluation is to assess project implementation and likely impact. All relevant stakeholders must fully understand the purpose of the evaluation, even if they might disagree with its contents.

The evaluation will begin with a review of project documentation, including key reports and correspondence. Interviews (in person and by telephone, as necessary) will include individuals directly associated with the project, such as those responsible for some role in carrying out project activities, as well as with a cross-section of interested stakeholders indirectly impacted by the project. Field visits to meet with local community stakeholders in Baitik ayil okmotu will also be required.

Output: At the time of the evaluation, the consultant will be provided with the general format of the final evaluation, which will generally include, but not limited to, sections that discuss: a) project design and relevance; b) implementation effectiveness; c) impacts

³ Ideally, the International Fiscal Expert for the independent final evaluation should be different from the International Fiscal Expert that undertakes the evaluation of the NRMP.

and outcomes; d) institutional sustainability (including financial sustainability; and e) stakeholders consulted.

Qualifications

- Post-graduate degree in Finance or Accounting
- Certified or Chartered Public Accountant preferred
- Ten years or more experience with the accounting, financial management and auditing of environmental programmes
- Experience with the fiscal administration of governmental agencies' environmental programmes
- Experience with researching government statutes, legislation, regulation, and directives that govern public finance management
- Knowledge of Kyrgyzstan's institutional framework of public finance management desirable
- Fluent in Russian (and English for the International Expert undertaking the final evaluation)
- Ability to be flexible, respectful, and effective while working with others from diverse backgrounds
- Experience with Microsoft Office, including Word, Excel, and PowerPoint
- Excellent organizational and analytical skills
- Excellent oral and written communication skills

3. Public Administration Expert (local)

The Local Public Administration Expert(s)⁴ will:

- Undertake consultations with government officials to negotiate regulatory and operational modifications for improving the allocation of government revenues to ayil okmotus
- Undertake a comprehensive assessment of the fiscal administration of revenues for environmental protection and natural resource management
- Building on the NRMP, detail operational arrangements to secure financial resources from national sources for environmental protection and natural resource management (i.e., fund-raising action plan)
- Facilitate policy consultations to integrate regulatory and operational recommendations of the Natural Resource Management Programme within the broader framework of public finance management reforms
- Develop procedures for identifying and publicizing corruption as part of a holistic programme of environmental fiscal reform measures to be piloted
- Develop improved procedures for auditing revenues from fines for industrial pollution
- Develop a training programme for understanding and implementing new and improved environmental fiscal measures for industrial pollution control

⁴ More than one Local Public Administration Expert may be contracted to perform a subset of these responsibilities.

- Undertake policy and technical consultations to restructure government procedures to improve the management of tax revenues for environmental protection and natural resource management

In undertaking the policy and technical consultations with government officials, the Local Public Administration Expert will play a central role to the successful execution of the project. To this end, he/she will have the added responsibility of bringing together many of the project outputs to bear on the recommended changes to the management of fines assessed and collected to control industrial pollution. This will include the preparation of progress reports, with the support of the Project Assistant.

Outputs:

- a. Assessment report on the fiscal administration of environmental revenues
- b. Fund-raising action plan
- c. Corruption publicity plan
- d. Targeted guidelines for auditing environmental revenues
- e. Training programme on environmental fiscal measures for industrial pollution control
- f. Progress reports

Qualifications

- Post-graduate degree in Public Administration
- Five years or more experience in the public sector working on environmental programmes
- Extensive knowledge of the organization, functions, and problems of all levels of Kyrgyzstan’s government
- Extensive knowledge of local, regional and national laws and administrative regulation, programmes and policies concerning the government’s management of natural resources.
- Excellent understanding of the current and potential roles and partnerships between government and the private sector in the field of environmental protection and industrial pollution control
- Experience with researching government statutes, legislation, regulation, and directives that govern public finance management
- Fluent in Russian
- Ability to be flexible, respectful, and effective while working with others from diverse backgrounds
- Experience with Microsoft Office, including Word, Excel, and PowerPoint
- Excellent organizational and analytical skills
- Excellent oral and written communication skills

4. Tax Specialist (local)

The Local Tax Specialist⁵ will:

⁵ Two different Local Tax Specialists may be contracted if deemed necessary, although the same individual would be preferred.

- a. Identify data and information requirements necessary to improve the effectiveness of Kyrgyzstan's existing taxation instruments to assess, calculate, collect and manage fines for industrial pollution control. Particular attention will also be given to the feasibility of implementing an improved tax instrument with the net impact of raising revenues for environmental protection and natural resource management at the local level, i.e., *ayil okmotu*.

Output: Report on the data and information requirements for an improved taxation instrument for industrial pollution control

- b. Develop a comprehensive and harmonized budget prioritizing environmental protection and natural resource management (within the framework of meeting obligations under the global environmental conventions).

Output: National Budget for implementing the global environmental conventions

Qualifications

- Post-graduate degree in Finance or Accounting
- Certified or Chartered Public Accountant or equivalency preferred
- Five years or more experience with the preparation, analysis, and interpretation of fiscal data, financial reports and statements, and actuarial tables; analyze revenue projections, budget and expenditure forecasts; auditing tax returns and other fiscal records; preparation of budget documents for programmes; preparation of allotment requests and their justification; and ledger reconciliation.
- Experience with the fiscal administration of governmental agencies' environmental programmes
- Experience with researching government statutes, legislation, regulation, and directives that govern public finance management
- Fluent in Russian
- Ability to be flexible, respectful, and effective while working with others from diverse backgrounds
- Experience with Microsoft Office, including Word, Excel, and PowerPoint
- Excellent organizational and analytical skills
- Excellent oral and written communication skills

5. Tax Specialist (international)

To ensure the quality of the SWOT Analysis Kyrgyzstan's of public finance institutional framework performed by the Local Fiscal Expert, an International Tax Specialist⁶ will undertake an independent evaluation of this report. The evaluation will pay particular

⁶ The International Tax Specialist must not be the same as the Local Tax Specialist in order to help preserve the independence of the evaluation.

attention to the holistic review KR's institutional framework for public finance management, drawing upon expertise and knowledge of similar institutional frameworks in other CIS countries, notably.

Output: Independent evaluation of SWOT Analysis of Kyrgyzstan's institutional framework for public finance management.

Qualifications

- Post-graduate degree in Finance or Accounting
- Certified or Chartered Public Accountant preferred
- Ten years or more experience with the preparation, analysis, and interpretation of fiscal data, financial reports and statements, and actuarial tables; analyze revenue projections, budget and expenditure forecasts; auditing tax returns and other fiscal records; preparation of budget documents for programmes; preparation of allotment requests and their justification; and ledger reconciliation.
- Experience with the fiscal administration of governmental agencies' environmental programmes; preparation of budget-development guidelines and procedures for environmental protection and natural resource management
- Experience with researching government statutes, legislation, regulation, and directives that govern public finance management
- Fluent in Russian and English
- Ability to be flexible, respectful, and effective while working with others from diverse backgrounds
- Experience with Microsoft Office, including Word, Excel, and PowerPoint
- Excellent organizational and analytical skills
- Excellent oral and written communication skills

6. Natural Resource Sociologist (local)

A Local Natural Resource Sociologist will construct a scientifically sound survey methodology (with questions preferably using a five-point Likert scale of agreement) that will be sent out to at least 2,000 potential respondents, and implemented in such a way as to elicit a minimum 15% response rate. A representative sample of the population in Baitik ayil okmotu will be surveyed to assess their values, perspectives, and experiences of the effectiveness of fines for industrial pollution control. The survey must be prepared using high standards of care to protect respondents from potential risk by participating in the survey. This survey will be conducted towards the end of the project, around the same time the International Fiscal Expert is conducting his/her independent final evaluation of the project. The aim of the survey is to undertake a quantitative analysis of the perceived effectiveness of environmental fiscal reforms initiated under the CB2 project.

Output: Survey and analysis on the perceived effectiveness of environmental fiscal measures

Qualifications

An individual, academic institution or non-governmental organization may be contracted to prepare and implement the survey, as well as carry out the analysis.

- Post-graduate training in the preparation of surveys
- Three years or more experience with the preparation and administration of national surveys
- Has been certified by the national equivalent of the Institutional Review Board to conduct surveys on human respondents

7. Lessons Learned Consultant (local)

A Local Consultant will work with project experts to prepare lessons learned material. The consultant will accurately distill and summarize technical and bureaucratic information on achievements, challenges, and failures experienced by the project during the course of implementation. The presentation of these lessons learned must be in a format that is appropriate for multiple target audiences, primarily government organizations that have a role in environmental fiscal reforms and the private sector, primarily those that have a significant impact on industrial pollution. Material should also be designed in such a way that the general public has a greater appreciation of the value of environmental fiscal reform.

Output: (Year 2) Brochure explaining the value of environmental fiscal reform in lay terms, as well as summarizes lessons learned to date from the implementation of the CB2 project

Output: (Year 3) Updated brochure prepared in Year 2.

At the end of the project, and upon completion of the independent final evaluation, the Lessons Learned Consultant will embark on the preparation of a full report that details the lessons learned in piloting environmental fiscal reform. This report will build on the final evaluation, but present the findings in a more user-friendly manner for use by government officials and the private sector in other ayil okmotus.

Output: (Year 3) Twenty to thirty-page report summarizing the lessons learned from piloting environmental fiscal reform.

Qualifications

- College degree in journalism or environmental science
- Excellent writing proficiency
- Five years or more experience as a writer for the popular press
- Competency in the technical jargon associated with public administration and natural resource management highly desirable
- Proficiency in the use of latest publishing and graphics software
- Ability to work under pressure and short deadlines

8. Project Assistant (local)

The Project Assistant will be responsible for organizational and logistical matters related to project execution. Among others, this includes:

- Arranging all logistic tasks for timely and efficient operations, e.g., arranging meeting venues, translation and interpretation services, and procurement of office supplies
- Managing all documentation and records, including but not limited to project management reports, budget reports and documentation, evaluation reports, recruiting local experts, preparation of meeting minutes
- Facilitating the timely preparation and submission of project reports, including but not limited to progress reports and financial reports
- Assist the local Public Administration Expert in the proper use of the project budget, including the preparation of budget revisions
- Report to the local Public Administration Expert (in his/her capacity as project manager) as well as to the UNDP Programme Officer on a regular basis;

Qualifications

- Four-year college degree in natural sciences, business, accounting, or economics
- At least two years' experience in project management, including financial management and monitoring
- Computer literacy and experience in working with PC-based equipment and software, including MS Office
- High level of proficiency in English and Russian
- Excellent communication and organization skills

9. Project Manager

Project Manager will coordinate the work of above mentioned assigned person. The main functions are:

- Supervise overall implementation of the project for its total duration to ensure project performance in accordance with the approved project document;
- Is responsible for the day-to-day management and administration of all project activities, staff, consultants, disbursements, etc and for ensuring that M&E requirements are met in a timely fashion;
- Manage the administrative assistant.
- PM will be answerable to the UN Country Office but will be expected to work in close collaboration and cooperation with the National Project Director on behalf of Executing Agency.
- PM will coordinate his work with UNDP CO Environment Programme Officer.
- Organize the project inception workshop; Organize the project tri-partite meetings;
- Assist in the preparation of feasibility studies for problems solution and its presentation for stakeholders;
- Analyze results attained by the project, and take into account the successful projects and

experience of previous projects; improve key stakeholders' awareness about project activities;

- Facilitate the activities of the Expert Working Group;
- Ensure coordination of the project activities with other relevant activities and initiatives of the Government;
- Contract and closely work with the team composed of a national and international specialists;
- Regularly provide information on project progress on the portal www.caresd.net for the benefit of all stakeholders.

Qualifications

- higher education in business administration and environmental management
- the availability of Scientific Degree (Master degree, PhD and etc.) is an advantage
- work experience in the Project management not less then 3-5 years
- experience in fishery management or environment management are an advantage
- excellent knowledge of Russian.
- English and Kyrgyz is an advantage
- strong interpersonal and communication skills
- be able to take decisions
- strong computer skills (Microsoft Office, Internet, Excel)

B. Contractual Services

Contractual services will be required to organize and conduct the following workshops:

- a. Training workshops on the interpretation of environmental fiscal measures, with particular emphasis on the assessment of fines for EPNRD (3 per year; \$2,500 per session) and link with global environmental objectives.

Output: Three one-day workshops per year for three years; Conference services for participation of up to 50 persons; Lunch and light fare for coffee and tea breaks; Conference room attendant to service distribution of workshop material; Supplies.

- b. Training workshops on the calculation of fines for industrial pollution (3 per year; \$2,500 per session).

Output: Three one-day workshops per year for three years; Conference services for participation of up to 50 persons; Lunch and light fare for coffee and tea breaks; Conference room attendant to service distribution of workshop material; Supplies.

- c. Public awareness and policy dialogue sessions with industry representatives (2 per year; \$1,000 per session).

Output: Two half-day workshops per year for three years; Conference services for participation of up to 50 persons; Light fare for coffee/tea break; Conference room attendant.

- d. Public awareness and policy dialogue sessions with local stakeholders in ayil kenesh of Baitik (2 per year; \$1,000 per session).

Output: Two half-day workshops per year for three years; Conference services for participation of up to 50 persons; Light fare for coffee/tea break; Conference room attendant.

Qualifications

The venue for holding the workshops and policy dialogue sessions will be contracted to an established hotel or center that provides conference services. At least three such business enterprises will be requested to tender a competitive bid for contracting these services.

UNDP, in consultation with government counterparts, and in keeping with UNDP rules and regulations, will select the winning bid.

C. Work Schedule

The assignments are to be implemented according to the work plan and timeframes specified in the project document. An assignment may not be able to begin at its scheduled time if unforeseen consequences prevent the completion of prerequisite assignments. For example, the evaluation of the NRMP can not take place until after the NRMP and associated Budget has been prepared. The preparation of the final lessons learned report will be best scheduled upon completion of the independent final evaluation. The scheduling of project tasks will be the subject of on-going review by the Local Public Administration Expert responsible for policy and technical consultations with government on the integration of project activities within the broader framework of public finance management reform, in association and consultation with the UNDP Senior Sustainable Development Officer and the National Project Director. Members of the Project Steering Committee will be kept apprised regularly of project implementation and the scheduling of tasks, and will be called upon to facilitate and catalyze timely scheduling of future project activities.

D. Remuneration and other conditions

Contracts will be issued by UNDP, with remuneration paid according to an agreed schedule. Travel expenses connected to the completion of assignment tasks, if necessary, will be reimbursed separately according to UNDP rates.

Notes:

UNDAF Outcome and Indicator(s)

The signature page details the UNDAF outcome(s) as well as the Outcome(s) and Output(s) related to the project. If the UNDAF lists outcomes, they should be included in the signature page. When UNDAF outcomes are not clearly articulated, country teams may decide to either revisit the UNDAF to clarify the outcomes or leave the field blank.

UNDAF Outcome indicators should be listed here.

Expected Outcome(s) and Indicator(s)

Expected Outcomes are Country Programme (CP) outcomes. They should reflect MYFF/SRF outcomes and ACC sector, which will be in the ERP).

Outcome indicator(s) should be listed here.

Expected Output(s) and Indicator(s)

Expected Outputs are Country Programme outputs. They should reflect MYFF/SRF outputs.

Output indicator(s) should be listed here.

Implementing partner:

Same as designated institution in the simplified project document – name of institution responsible for managing the programme or project (formerly referred to as executing agency). Implementing partners include Government, UN agencies, UNDP (see restrictions in Programming Manual Chapter 6) or NGOs.

Other partners:

Formerly referred to as implementing agencies in the simplified project document—partners that have agreed to carry out activities within a nationally executed project. This would include UNDP when it provides Country Office Support to national execution. Private sector companies and NGOs hired as contractors would generally not be included. The agency (i.e. Government, UN agency) that contracts with the private sector company and/or NGO is the responsible party. ‘Other partners’ can also apply to other execution modalities.

When an NGO contributes to an output, it can be noted along with the responsible party with which it contracts (e.g., UNDP/NGO, Govt/NGO). Consistent with current practice the rationale for selecting an NGO as a contractor, must be documented.

Programme period: Refers to the Country Programme period

Programme component: MYFF Goal

Project title, project code, project duration (self explanatory)

Management arrangement: Indicate NEX, AGEX, NGO Execution, DEX

Budget: Total budget minus the General Management Services Fees

General Management Services Fees: This was formerly COA (Country Office Administrative fee) for cost sharing and UNDP Administrative Fee for Trust Funds.

Total budget: Includes the budget and General Management Services Fees. In-kind contributions can be listed under 'other' resources. Unfunded amounts cannot be committed until funds are available.

Signatures:

The Implementing partner is the institution responsible for managing the programme or project. (The institution now commonly referred to as the "executing agency" but will now be referred to as the "implementing partner")

UNDP is the UNDP Resident Representative.

The Government counterpart is the government coordinating authority.